

# NATION'S BUSINESS



DECEMBER • 1936

**The Toy Business Isn't All Play**

By James L. Fri

**New Battle Lines Are Forming**

By Wright Patman

**Change Rides Up in a Trailer**

By Walter L. McCain

**280,000 NET PAID CIRCULATION**

PUBLISHED BY THE CHAMBER OF COMMERCE  
OF THE UNITED STATES • WASHINGTON

# Pardon us, Pop, but have you heard?...

## LONG DISTANCE RATES have been REDUCED!



"YES, Pop, if you would like to make your 3-minute person-to-person call from New York to San Francisco any week-day now, it will cost you only \$9.75. After 7 P.M., or all day Sunday, you will be charged just \$6.75.

"These new low rates have been in effect since September 1, Pop. They extend to station-to-station conversations too. For example, the 3-minute station-to-station week-day rate between New York and San Francisco is now \$7.50. At night and on Sundays the same call can be made for \$4.50. Just think of it, Pop—you can talk from coast to coast for less than five dollars."

Seven times in the last ten years, reductions in Long Distance rates have brought this important service within the reach of millions more people. Friends in opposite corners of the country now are only a few dollars apart. Intimate voice-visits and family reunions can be more frequent. Business prospects, customers, and field representatives can be reached—personally—more often than ever before.

For pleasure...for business... find out for yourself the genuine satisfaction and economy of Long Distance Telephone Service.



# SOUND-PROOFED LIKE A BROADCASTING STUDIO

## NEW PLYMOUTH

**IS COMPLETELY INSULATED—Steel Roof, Sides, Doors and Floor—to keep OUTSIDE Noises OUT! Body Cushioned on Rubber—Safety Interior—Biggest Plymouth Yet!**



HEAR A WATCH TICK...noise shut out or absorbed by new, scientific sound-proofing, like a broadcasting studio!

STEEL FOR SAFETY...this Plymouth body is all steel... roof, sides, doors and floor.



# PLYMOUTH



New 1937 Plymouth De Luxe 4-Door Sedan, \$670 list.\*

### HOW PLYMOUTH DID IT

Engineers carefully tracked down all kinds of motoring noise that drum in your ears...wear your nerves.

Developed five kinds of insulating material...that absorb, shut out or deflect all kinds of noises.

They "sound-proofed" the steel roof, walls, floor and doors of the new Plymouth.

Noise is now shut out or absorbed at every point...just like it's done in a modern radio broadcasting studio.

EASY TO BUY—Plymouth is priced right down with the lowest... and offers convenient payment terms. The Commercial Credit Company offers—through Chrysler, DeSoto and Dodge dealers—terms as low as \$25 a month.

EVERY PART of the new Plymouth body is sound-proofed...five kinds of insulation stifle noise! Huge AIRPLANE-TYPE shock-absorbers level out all bumps. The body is pillow'd on live rubber.

Also: double-action hydraulic brakes...all-steel body...finger-tip steering...Hypoid rear axle—formerly used only in costly cars...the sensational new SAFETY INTERIOR...Floating Power engine mountings.

See this BIGGER Plymouth...today's most economical full-size car...at Chrysler, De Soto or Dodge dealers.  
PLYMOUTH DIVISION OF CHRYSLER CORPORATION.

PRICED WITH THE LOWEST!

\$510

And Up; \*All Prices List at Factory, Detroit. Special Equipment Extra.

PLYMOUTH  
BUILDS GREAT CARS

The Best Buy  
of All Three!



ONE of the chief reasons for the continuing progress and success of the Maryland Casualty Company is found in that loyal, public-spirited group of men and women...the *agents* of The Maryland.

They will always be The Maryland's best advertisement...ten thousand of them out on the firing line... daily providing the competently planned protection against Unforeseen Events that characterizes the service of The Maryland. To you they must, in many cases, stand not only as able counsellor but as good friend. Approaching its fortieth year in business, The Maryland makes grateful acknowledgment.

# THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE • SILLIMAN EVANS, PRESIDENT



**FOR GOOD WILL AND GOOD WORK, MODERNIZE**

*with Frigidaire Water Cooling Equipment*

● No investment you can make in plant modernization will pay bigger dividends than Frigidaire Water Cooling Equipment. In good will alone it more than justifies its cost.

But it offers many other advantages as well. It means greater efficiency in every department—more production, fewer mistakes and accidents. It also means a tremendous saving in dollars and cents over old-style methods. A saving so great that Frigidaire actually pays for it-

self in a short time and continues to earn a big investment return for years to come.

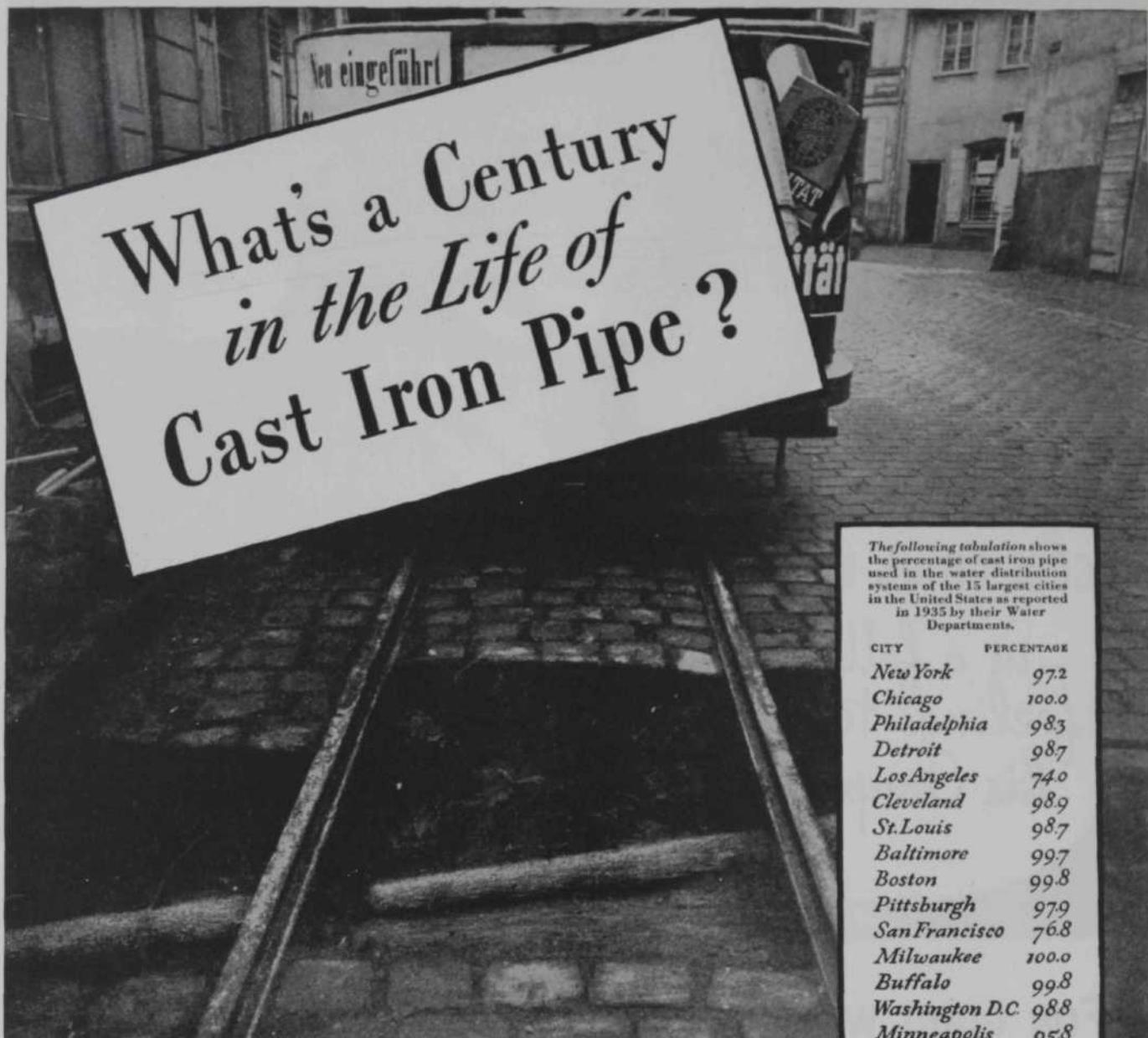
When we say "pays for itself" we mean just that. And we're ready to prove it to you by a FREE survey and estimate in your own plant.

It will pay you to get complete details. Find out how little it costs you and how much it saves you to have cool, sparkling water

throughout your factory. There is Frigidaire Water Cooling Equipment for every need. Efficient, dependable, economical.

*Investigate at once, and include Frigidaire equipment in your 1937 budget.* For free survey and estimate see your nearest Frigidaire Commercial dealer or drop a line to Frigidaire Corporation, Dept. 66-12, Dayton, Ohio.





This 210-year-old cast iron water main at Ehrenbrietstein, Germany, is still in service and good condition. (Photograph by courtesy of Deutscher Gussrohr-Verband G. m. b. H., Cologne.)

The following tabulation shows the percentage of cast iron pipe used in the water distribution systems of the 15 largest cities in the United States as reported in 1935 by their Water Departments.

CITY	PERCENTAGE
New York	97.2
Chicago	100.0
Philadelphia	98.3
Detroit	98.7
Los Angeles	74.0
Cleveland	98.9
St. Louis	98.7
Baltimore	99.7
Boston	99.8
Pittsburgh	97.9
San Francisco	76.8
Milwaukee	100.0
Buffalo	99.8
Washington D.C.	98.8
Minneapolis	95.8

IN OLDER cities abroad it is not uncommon to find cast iron water mains that have been rendering satisfactory service for from one to two centuries and longer. Many American cities have cast iron pipe in their distribution systems that has been serving for more than a century. Time has yet to reveal the full span of the useful life of cast iron pipe. That it serves longest and costs least per service year and least to maintain, are recorded facts and the reason for its almost exclusive use in the dis-

tribution systems of our 15 largest cities. Cast iron is the standard material for water mains. Its useful life is more than a century because of its effective resistance to rust. It is the one ferrous metal pipe for water and gas mains, and for sewer construction, that will not disintegrate from rust. Available in diameters from  $1\frac{1}{4}$  to 34 inches. For further information, address The Cast Iron Pipe Research Association, Thos. F. Wolfe, Research Engineer, 1011 Peoples Gas Building, Chicago, Illinois.

# CAST IRON PIPE

METHODS OF EVALUATING BIDS NOW IN USE BY ENGINEERS



RATE THE USEFUL LIFE OF CAST IRON PIPE AT 100 YEARS

# QUESTIONS our readers are asking:

- 1 • WHAT changes in the Robinson-Patman Law will be proposed in the next Congress? . . . . ANSWER ON PAGE 15
- 2 • WILL the huge Democratic majority make this a "rubber-stamp" Congress, and how soon will a test come? . . . . ON PAGE 17
- 3 • WHAT effect will the Pan-American peace conference have on trade relations? . . . . ON PAGE 19
- 4 • WHAT field will the manufacturer who wants to add a new product to his line do well to avoid? . . . . ON PAGE 20
- 5 • HOW can one predict when the public will take up a new fad as it took up jigsaw puzzles? . . . . ON PAGE 22
- 6 • WHAT major job of merchandizing are many department store executives overlooking? . . . . ON PAGE 23
- 7 • HOW many auto trailers are in use in this country and what is the probable effect on taxation, selling and real estate? . . . . ON PAGE 25
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# MILLIONS SAVED FOR POLICYHOLDERS?

*"Find out how!"*



- Many thousands of business leaders from coast to coast are now concentrating their business and personal insurance in Mutual fire companies because of the substantial savings this type of insurance offers.

But there is more to it than that! For no straight-thinking executive would consider a method of saving money that was not entirely sound . . . entirely safe.

The savings of Mutual fire insurance are the result of a sound and thrifty principle of business opera-

tion, conceived nearly 200 years ago, and which has endured ever since! It has endured by giving its policyholders sound protection, thorough service, prompt payment in full when losses occur, and a substantial reduction in net cost through the prevention of losses and annual savings returned to the policyholders.

Send now for a booklet that tells the Mutual story. Address the Federation of Mutual Fire Insurance Companies, 919 North Michigan Avenue, Chicago, Illinois.



This seal identifies a member company of The Federation of Mutual Fire Insurance Companies and the American Mutual Alliance. It is a symbol of soundness and stability.

## MUTUAL FIRE INSURANCE

An American Institution

# Why Europe's largest railway station is in ...



## LEIPZIG

**F**OR 700 YEARS, the world's shrewdest merchants have been meeting in Leipzig. Today—at the semi-annual fairs—more than 8,000 exhibitors from 22 countries show their wares to 225,000 buyers from 75 countries.

The Spring Fair of 1937 opens February 28th. Your business will profit by your attendance.

In the General Merchandise Fairs (Feb. 28 to Mar. 5), the exhibits cover every line for the department store and the specialized store. In the Great Engineering and Building Fair (Feb. 28 to Mar. 8), there will be 2,500 exhibits of machinery (practically all in operation), equipment and manufacturing processes—for every industry.

These Fairs are international—representing the newest offerings of every civilized country. Whether you buy, or merely inspect, you cannot fail to build profits—simply by knowing what the whole world offers in your business.

Please write for Booklet No. 23. Tell us of your interests. We can help you plan in advance how to make profits out of this trip. Leipzig Trade Fair, Inc., 10 East 40th Street, New York City.

**LEIPZIG**  
  
**TRADE FAIRS**  
**FOR 700 YEARS**  
*the world's market place*

# Through the EDITOR'S SPECS

### Taxing good will toward men

PROVISIONS of the will of the late Jesse Isidor Straus, New York merchant and ambassador to France, offer lively texts for debating the question of whether the policy of "soak the rich" does not, in effect, soak society the more. A codicil revoked a long list of bequests to educational and charitable institutions, including a great university, three hospitals, two museums, half a dozen philanthropic societies, two negro institutions, and police and firemen's pension funds.

The logic of events directed his decision. Through passage of the Federal tax law of 1934, taxes on large estates were boosted from a maximum of 45 per cent to a high of 60 per cent. How thoroughly the "share the wealth" idea took hold of the Congress is revealed in later legislation which elevated estate levies into a veritable stratosphere of taxation, the top moving to 70 per cent. Good business man that he was, Mr. Straus felt compelled to take thought of "undue hardship and financial sacrifice and loss resulting from untimely sale and liquidation of assets to provide for the payment of such taxes."

Exacting excessive death levies in cash may well spell the dissolution of the business or property taxed.

Easy enough to argue that the increased estate taxes are devoted to governmental social programs in the public interest.

Hard to drive out the fear of policies in the administration of public philanthropy.

### What is the public interest?

SENATOR Black's bill for a six-hour day in railroading, express transportation and freight forwarding, on the word of George Harrison, head man of the railway clerks, will have the full strength of the rail Brotherhoods behind it when it comes before the Congress. Who would pay for the increased wage cost raises questions as ponderable as the benefits envisaged by the advocates of the change.

If the charge is assessed against

the community as a whole as a justifiable obligation of its social responsibility, how is payment to be exacted from the public? If it be argued that the carriers should bear the added burden, the cost would work down to the security holders. For 1936 the return on the net investment in plant has been figured at about 2½ per cent.

What would happen if the return were to be cut by the full cost of the change to a six-hour day is no academic question.

Suppose the rate of return diminished to 1¼ per cent, as some observers think it might? No answer to say that rates can be boosted. Competition is its own astringent qualification to that idea, even if the carriers were free to make their own tariffs, which they are not. Moreover, the temper of the public is decidedly for reduction. One public official of T.V.A. is demanding such freight reductions for the South. What may seem the public interest in one consideration of public policy as readily turns out to be a contradiction of the public interest in another aspect of the question.

### Ladders to the stars

IS the rung-by-rung ascent to leadership still a characteristic of American business? Ten major industries contribute an emphatic "yes." Careers included the 341 top men in automotive lines, drugs, electrical, food, oil products, paint and glass, railroads, steel, telephone, tire and rubber. Of the senior executives, 258, or 75.6 per cent, began at the bottom. Exploring this cross section of the nation's industrial structure, the advertising agency of N. W. Ayer & Son reports that, of the remainder, many are lawyers who rose from obscure beginnings to leadership in their profession and became industrial executives by virtue of long association with a business.

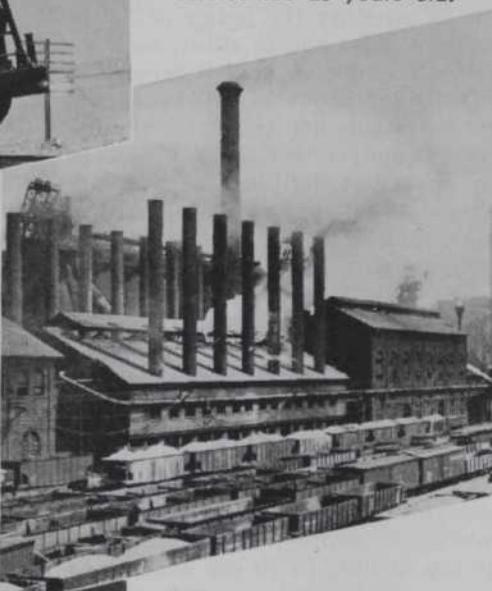
Conclusion that "only a small minority had either money or connections to start with" suggests that golden spoons still have their place in a material world. That they are in the

# IT'S THE SAME All Over...



## ASK RAILROAD MEN

They'll say that alkaline batteries overcome ordinary storage battery limitations—don't fail unexpectedly—need almost no repairs—cost least per year. Some Edison Batteries now in active railroad service are 25 years old.



## FIND OUT IN A STEEL MILL

In steel mills more than 70% of all the battery industrial trucks in service use Edison Alkaline Battery power. Edisons stay on the job—cut down delays—help keep production flowing.

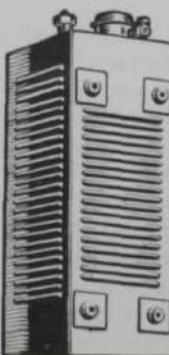


## GO UNDERGROUND

You'll find Edison Alkaline Batteries powering mine locomotives—helping deliver even tonnage. In this and other services Edison Batteries live 2 to 5 times as long and perform more dependably than ordinary batteries. It's a matter of record—why not check yours?

**EDISON**  
STORAGE  
**BATTERY**

DIVISION OF THOMAS A. EDISON, INC.  
WEST ORANGE, NEW JERSEY



minority is a commentary as revealing as it is stimulating.

Apart from interests in comparing ladders with elevators is the concern to know how men who get to the top manage to stay there. Easy to answer with "exceptional gifts of mind and character." Giving that reason larger dimension, explanation moves toward a view of leadership as the quality of vision which turns the future to account before it arrives. It is the quality which brings the intricacies of a thousand details to a focus of administrative purpose and lifts the fortunes of millions of people with the beneficence of masterful decision.

Happily for the country, the free expression of ambition and ability, haphazard as it must seem at times, has provided trade and industry with good heads where and when they were needed.

## Business its own monument

SUGGESTIONS from a Greenwich Village publication that Alexander Turney Stewart, pioneer New York merchant, be included in New York University's Hall of Fame stirred the management of Wanamaker's store to enthusiastic seconding of the nomination.

It was John Wanamaker who revived the Stewart business, and vestiges of the old Stewart ways are still on view in the great establishment in downtown Manhattan.

Eligibility rules require that a man must have been dead at least 25 years before his name can be presented. So John Wanamaker's name must wait.

The matter is of immediate interest to the business community because no merchant's name is on the roster of the Hall of Fame.

As it is now constituted, it includes 16 authors, 15 statesmen, five educators, five preachers, seven scientists, five soldiers and sailors, five inventors, four jurists, three philanthropists, three artists, two actors, one pioneer, one engineer.

No querulous question is raised by Wanamaker's. If contribution to civilization be the criterion of fame, "What greater service could be done for the American people than the construction of a system of business such as this one, that lifted up the old system of haggle and barter and cheat into the plane of an honorable profession, as was done by those two men, A. T. Stewart and John Wanamaker?"

Satisfaction or money back, one price to everybody, frankness in the description of merchandise—those innovations are imperishable, if intangible, monuments in themselves. While

the public has a way of accepting its blessings without thought of their origins, it may be that those who read in that characteristic a neglect of benefactors will find compensation in the understanding that a good business man is a serviceable composite of all the qualities which the people traditionally memorialize in statues and wreaths of laurel.

### Two-edged legislation

HOW legislation aimed at specific situations spreads its relationships outside remedial expectations is becoming apparent in the retailing of automobile fuels and lubricants. From Chicago comes word that oil companies irked by tax burdens on multiple unit operations are preparing to withdraw from retail selling and will lease their filling stations to individuals.

Other influences directing this decision include the persistent drive to unionize employees and complications that are traceable to the Social Security Act.

What the attendants think of the change to individual operators is suggested by this comment:

"We're lucky. The man who leased this station hasn't cut our pay. But in a lot of the other leased stations the first thing that happened was a reduction in the old pay envelope of the workers."

Other losses, as listed by an inquiring reporter, follow:

Participation in the company old-age pension plan.

Participation in federal security act benefits, because the number of station employees is below the minimum set by the act.

Participation in an extremely liberal stock-purchase plan, in which contributions of the workers were matched dollar for dollar by the company.

Participation in death benefits paid by the company.

Participation in a general welfare program promoted by the company.

Whether or not in its various fields the revising legislation serves the original purposes its sponsors had in mind, its oblique impacts on individuals again affirms the lively fact that the body of public opinion is everybody.

### A doctor's creed

DOCTORS, on the word of the head of the Medical Society of the State of New York, do not want security. That position is accented in a public discussion of what he sees as the doctor's obligation to society—to provide it with needed care of the highest possible quality, and to protect it from the consequences of inferior service.

To achieve that aim, Dr. Winslow

*The*  
*New*

# MARCHANT

*All Electric... Full Automatic*  
*SILENT SPEED CALCULATOR*

This newest MARCHANT sets an unprecedented standard of speed and efficiency in the handling of figure-work and here's why! This remarkable calculator eliminates all of the shock of continual "Stop-and-Start" motions of ordinary calculator operation! It makes continuous production of figure-work a reality for the first time in calculator history!

No hesitation! No interruption! From start to finish, this greatest of calculators carries every figure-problem through to its answer... at the record-breaking speed of 1200 C.P.M.\*!

Likewise, this newest MARCHANT brings other new and valuable advantages—in greater quietness—in easier, more accurate operation—in durability and portability. Let a demonstration on your work show the outstanding merits of employing MARCHANT in your business! Write for folder "M."

- NEW SILENT SPEED ... 1200 C.P.M.\* produced by a unique continuously flowing mechanism ... without noise.

- ALL-ELECTRIC OPERATION with ONE-HAND KEYBOARD CONTROL ... responsive to feather touch.

- AUTOMATIC ELECTRIC TWO-WAY SHIFT smoothly glides the carriage in either direction.

- REVERSIBLE MULTIPLICATION and COMPARISON DIVISION ... both fully automatic ... simplicity itself.

- POSITIVE ELECTRIC CLEARANCE regardless of carriage position... by the mere touch of a key.

- DIALS FOR ALL 3 FACTORS in perfect alignment for instant checking of all factors.

\*C.P.M.—Calculating-speed Per Minute

## MARCHANT CALCULATING MACHINE COMPANY

*Service throughout the world*

HOME OFFICE: OAKLAND, CALIFORNIA, U.S.A.



## BRAKES ON LIGHTNING

Ancient tribes shot arrows at lightning-laden clouds, as an imaginary safeguard against the manifestations of an awful force which they did not understand. Today a complete understanding of the characteristics of lightning has produced modern apparatus for its control—apparatus which protects lives and property, insures continuous electric service.

The riddle of lightning was solved, not by chance, but by years of patient research, involving dangerous outdoor experiments as well as intimate laboratory studies of the electric arc. In this work, Westinghouse research engineers have always played a leading part, and in the Westinghouse Research Laboratory was evolved the theory of *De-ionization*—the most important contribution in many years to the science of arc control.



Applications of the principle of *De-ionization* split up crashing arcs into tiny sparks which dissipate harmlessly. The use of this principle in modern, improved lightning arresters is but one example of the ways in which Westinghouse research paves the way for electricity's progress toward ever-higher goals.

From the practical development of this theory, Westinghouse engineering has produced a complete line of improved apparatus for the control of lightning and electric arcs. There are even compact and inexpensive household circuit-breakers to replace "fuse-plugs" and end their inconveniences. Each fresh application brings with it new safety and economy, increased facility in the distribution and use of electric power. Each is further evidence of Westinghouse enterprise throughout a half-century of service. Westinghouse

Electric & Manufacturing Company,  
East Pittsburgh, Pennsylvania.



feels, the profession must discipline itself as a hard master would discipline a student for whom he held the highest hope.

How this course may be qualified appears in the increasing pressure for socialized medicine. Its advocates, says Dr. Winslow, "lure the profession with the siren song of bureaucratic jobs, assured income-security—false security."

But, he adds:

We do not want to be secure. We want to remain insecure. We want to continue to be required to give our very best to every patient, or lose out in the gentlemanly competition which exists within our ranks. This is an incentive that operates to our insecurity, but to the security of the patient. We prefer the discipline of private practice which keeps us on our toes, to an assured income under bureaucratic control where our highest ambition is more likely to be to keep ourselves solid with the politicians who have taken over the job of running our profession.

I repeat, security for the doctor means insecurity for the patient.

Comfort as well as commentary is defined in the profession's own proud boast that "today, the American public is the recipient of the best medical care in the world, and with few exceptions, our death rates are below the rates in all those countries where the doctor's activities have been painfully made the object of the state's beneficence."

### Wings for vacations

TECHNOLOGY and the skills of business have a way of putting new edges on the bromides of small talk. "The world is a very small place," says the traveler who spies a home town friend in a queer spot. What a New York *World-Telegram* reporter accomplished in circumnavigating the globe in 18 days, 14 hours, in a race against time and two other reporters was no mere accent on speed. The real significance of the enterprise is in the fact that only commercial services were used, travel instrumentalities regularly available to the public.

A tired business man seeking the tonic of adventure needs no magic carpet to whisk him to strange lands and civilizations.

Given a brief respite from the harness, he could command air transport that would carry him to the uttermost ends of the earth in time comparable to the span of an ordinary vacation in his own country.

Transcontinental and Pacific planes could put him in Manila in a week. The Hindenburg could waft him across the Atlantic faster than any blue ribbon liner. In another week he could penetrate deep into the Far East, "clasp hands with all the ages,"

and know at lively second-hand the countries visited centuries ago by fabtulous Marco Polo.

And almost before he would be missed, he could be back working at his desk, rich in new perspectives and with eye-witness assurance that now, more than ever, "the world is a very small place."

### Self-help seeks a cane

PRAISE of consumer cooperative action as an ideal expression of democracy and self-help seems rather headlong when viewed in the light of some states of mind reported from Columbus, Ohio. When the Cooperative League of the United States ended its convention there it made representations toward extension of the scope of the Rural Electrification Administration, so that "cooperative action may further extend electrification to all consumers at reasonable rates" and toward the establishment of a new agency similar to the Farm Credit Administration to aid consumers' cooperative housing projects at low cost. Along with this qualifying definition of League aims went disclaimers of any desire for subsidy.

Consistency seems a bit strained when squaring the root notion that consumer cooperation is at base only a competitive form of private ownership with the idea of special privilege defined in the receptivity to government aid. If clarification was the intent, controversy seems the more likely consequence of the explanation that the movement is concentrated on meeting "capitalistic" competition in its traditional character. Limiting members' capital to a fixed return before undertaking to provide goods and services at cost, it is true, may signify a dubious assurance of cooperative solvency.

Profession of opposition to Fascism and Communism are apt preludes to rejection of the thought of authoritarian control. How that exclusion could be maintained against any reality of subvention by Washington is a question to put logic, if not sophistry, at a premium.

### A matter of precedence

BUSINESS comes before pleasure in the taxing judgment of Texas legislators. By newspaper report, baseball and football admissions are to be exempt.

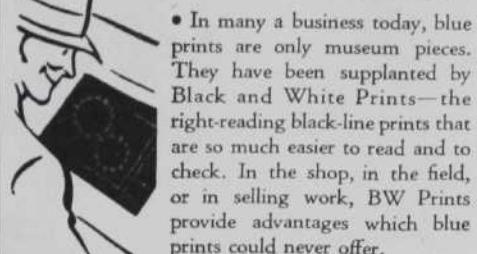
Sulphur is to be taxed \$1.03 per ton; oil,  $2\frac{3}{4}$  cents per barrel; and gypsum, ten cents per ton. Exemption for production is not to be expected until the politicians get farther along with the idea of making all work seem like play.

# KEEP UP-TO-DATE!

*—a few things*

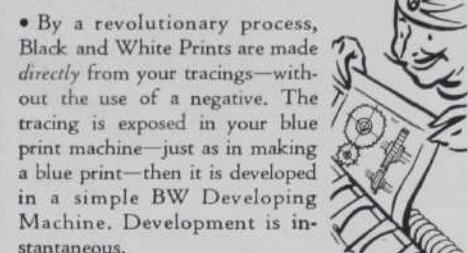
*Business Executives should know about a wonderful Reproduction Process*

### MUSEUM PIECE



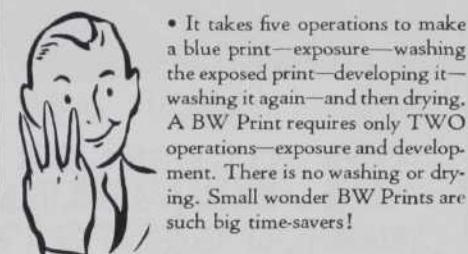
- In many a business today, blue prints are only museum pieces. They have been supplanted by Black and White Prints—the right-reading black-line prints that are so much easier to read and to check. In the shop, in the field, or in selling work, BW Prints provide advantages which blue prints could never offer.

### MODERN MAGIC



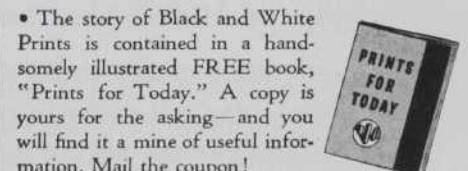
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## Men Wanted for Fact-Finding

HOW THE OLD WORLD can best earn its bread and butter is still the unanswered question, despite elections, edicts and war's alarms. How simple it would be if production, upon which hangs the well-being of individual and nation, could be determined at the ballot-box.

Another four-year referendum is history. Still remains the first order of business: How to give the productive energies of the people full play. Many prescriptions there are, but each one should be put to the test realistically and practically. Will it encourage this free play of productive energy? Or will it discourage?

If decision is to be made in the interest of all the people, it must be reached in a non-partisan spirit of seeking light, rather than generating heat. Economic life is one thing; political action another. The whole world is restless today, and leaders who sincerely wish well for America will strive to keep the way clear for an open-minded and impartial search for facts, distinguished from opinions. By so doing, they will best serve a free society in developing inquiring minds and adequately informed human beings. Freedom in this view is not only a satisfaction to the individual; the very stability of our institutions is conditioned upon it.

What is happening in Europe is no local affair. Painfully, Americans are discovering that America has not been guaranteed eternal well-being by divine decree. There are no international barriers or immigration walls against the teaching of sophistry and specious logic, against the assumption that opinion is fact.

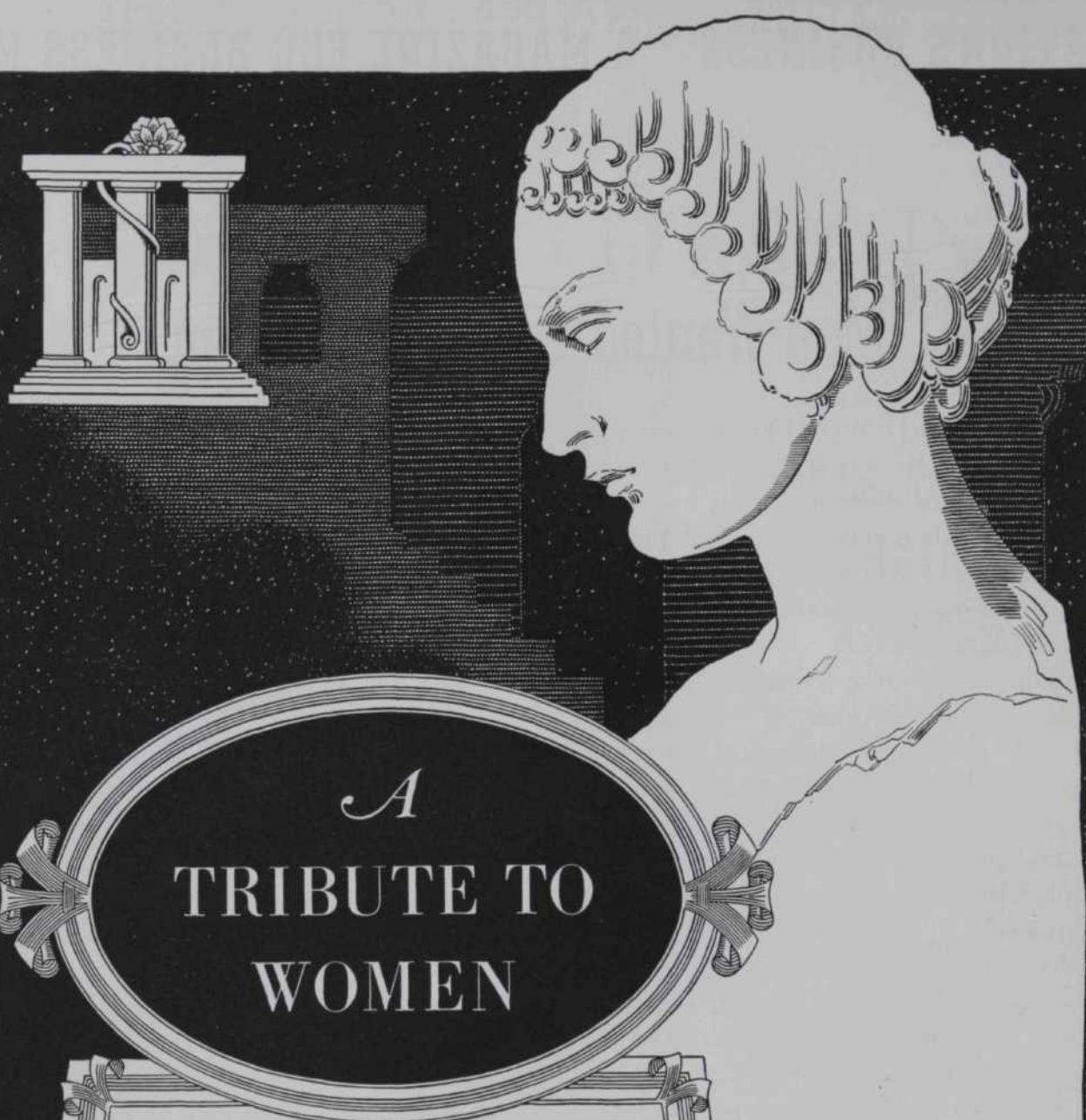
Every man worth his salt wants a more ideal world, a world free from selfishness and trickery. Progress in this direction has been slow, despite centuries of earnest exhortation by school and church and the example of good men everywhere. But progress there has been. To reform humanity in a few months, even a few years, is a job as difficult as it is inviting.

Let it be said again, that our economic system is not fool-proof. Those at grips with it realize only too well that it is far from perfect. There have been excesses and abuses. To plead for a sense of proportion and perspective in viewing them does not, of course, condone them. Conversely, to contend that our industrial system is far from ideal cannot erase the stubborn fact that it has provided comforts, conveniences and even luxuries undreamed of 25 years ago, and that, after all, more and more "things" constitute standards of living.

The individual who is concerned for the maintenance of these standards and their improvement should start from the premise that our national well-being is no accident. It did not just happen. It is founded on a bedrock of facts. Facts, unfortunately, are the least developed of any of our natural resources.

The ideal of a better America is no mirage. Today, more than ever, the way to its attainment is through recognition and respect for realities.

*Meredith Thorpe*



*A*  
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# New Battle Lines Are Forming

BY  
Representative  
**WRIGHT  
PATMAN**

Fifth District  
Texas

AFTER serving as chairman of a congressional committee that has conducted an investigation this past year of large-scale buying and selling, I am convinced that there is a conspiracy among a few rich, powerful individuals who control corporations of great wealth to obtain a monopoly in retail distribution.

The Robinson-Patman Act, the modern Golden Rule of industry and business, which became a law on June 19, 1936, already is actually accomplishing much toward giving equal rights and a fair opportunity to individual citizens and small businesses without depriving large corporations of a single right or privilege that they are entitled to enjoy; but, new battle lines already are forming in regard to further legislation, which has been proposed to keep manufacturers out of the retailing business.

Realizing that the Robinson-Patman law is certain to be upheld as constitutional by the Supreme Court of the United States, and that it will be enforced by the Federal Trade Commission and the Department of Justice, certain manufacturers already are displaying a tendency to do their own manufacturing and distributing in order to avoid any possi-



CHANDLER STUDIO

REPRESENTATIVE PATMAN is co-author of the Robinson-Patman Act, probably the most discussed legislation passed by the last Congress. He is now drafting another bill which may have even greater effects in the field of distribution. In this article he explains the purposes of these bills and the reasons he believes them necessary. All opinions expressed and statements made are his. This magazine's only purpose in presenting this article is to give its readers first-hand information as to legislative aims by the man who seems best qualified to explain them.

ble entanglements under the Robinson-Patman Act. Hence, formation of new battle lines, preparatory to the conflict to see who shall dominate distribution of merchandise in the towns and cities of modern-day America.

### Tendencies toward monopoly

NEW YORK bankers are substantially aiding powerful business men and large corporations to obtain a monopoly in retail distribution.

A few years ago there were 600 manufacturers of automobile tires. Today four firms are manufacturing 80 per cent of all tires and there are less than 25 tire manufacturers in the entire country. Practically all the others were crushed by this unholy alliance of great wealth and power.

One large bank in New York City has directorships in more than 4,000 manufacturing, industrial, utility and other large business concerns. Another large bank in the same city holds more than 2,000 such directorships. The largest concerns in America are largely controlled by Wall Street bankers. The 200,000 independent grocerymen in the country, representing 50 per cent of all retail grocery units, are receiving only 22 per cent of the volume of business. The 100,000 corporate chain units are receiving 44 per cent of the volume, and 100,000 voluntary units are receiving 34 per cent. If the existing law had not been changed, a word from the corporate chains to the manufacturers would have caused the voluntaries either to be taken over by the corporate chains or destroyed, since all allowances and discounts could have been taken away from them.

Glibly-recited statistics about the number of retail units increasing a few thousand over a period of four years mean nothing. These increases are below normal, and only in communities not served by chains or in lines of business in which the chains are not engaged. Because monopoly is only effective in certain areas where the volume of business is greatest, and in certain lines of business, does not mean there is no monopoly.

So much for the justification for the Robinson-Patman law and the still further justification for the contemplated bill to divorce manufacturing and retailing. Let us now examine this proposed additional amendment to the Clayton Act. Revolutionary? Certainly it will be called so. Certainly, if enacted into law, it would become outstanding among legislation

of all time, along with the Robinson-Patman Act.

American business would undergo drastic changes and revisions should the Clayton Act be further amended by this proposed bill, and for that reason it would not become effective until three years after the date of its enactment. Much of American business life would be affected. In brief, manufacturers would be unable to sell their own products in retail establishments operated either by themselves or by affiliates in other states, where any part of their business is done in interstate commerce.

If a manufacturer does not sell anything out of the state, and none of his business is done directly in interstate commerce, yet if he should sell to anyone who buys for the purpose of resale out of the state, the Act would apply to his entire business. The Constitution is very plain on the powers of Congress to regulate interstate commerce, which is what the Robinson-Patman Act does and what this bill would further attempt to do.

To mention some of the specific effects, the proposed bill would revise ownership or methods of doing business of service stations owned by large oil refining companies; tire and automobile service stores operated by tire-manufacturing corporations; department, grocery and dry goods stores which manufacture any part of their goods; direct selling from manufacturer to consumer; and motion picture theaters owned by production companies. Several

15, 1934, as amended, is amended by adding after section 3 a new section as follows:

"Section 3½. (a) It is hereby declared that the enactment of this section is necessary in order to protect commerce from restraints and monopolies which result in certain cases where persons are concerned with both the manufacturing and retailing of articles or materials. (b) It shall be unlawful for any manufacturer or any affiliate of such manufacturer to directly or indirectly transport or cause to be transported, in commerce, any article or material produced by such manufacturer for sale or distribution at retail by such manufacturer or by an affiliate of such manufacturer. (c) For the purposes of this section—

(1) The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or an organized group of any of the foregoing, whether or not incorporated.

(2) The term "manufacturer" means any person, other than an individual, engaged in the producing, manufacturing, processing, packing, refining, or preparation of articles or materials for sale or consumption.

(3) A person shall be deemed to be an affiliate of a manufacturer if such person controls or is controlled by, or is under common control with, such manufacturer.

(4) The exhibition of a motion picture, for a charge, shall be deemed to be a sale at retail.

(5) A person shall be deemed to control another person if having over the latter (A) actual or legal control, whether direct or indirect, or (B) any direct or indirect power or influence (whether arising through direct or indirect ownership or control of stock or other capital, evidences of indebtedness, or physical properties or equipment, through contract, lease, or agency arrangements, through interlocking directorates or officers, or through any other means of circumstance) which can be used to affect, in any substantial manner, the policies or conduct of such other person affecting competitive relationships between persons engaged in the business of selling articles or materials at retail.

"Sec. 2. This Act shall take effect three years after the date of its enactment."

### ANOTHER step which Representative Patman is considering is enactment of state legislation modeled along the lines of the Robinson-Patman Act. He is submitting a model state bill to interested people to obtain their views

other branches of business would also be affected.

The following bill was prepared after many conferences with some of the best informed attorneys on this subject in the United States:

**A BILL** to amend the Clayton Act in order further to protect interstate commerce against restraints and monopolies:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October

THERE is a precedent for such legislation. The Packers' Consent Decree, handed down by the United States Supreme Court in 1920, specifically prohibits meat packers from engaging in retailing of their own products.

I am seriously contemplating introducing this bill personally in Congress early in the session. I am now sounding out the sentiment and making a thorough investigation.

Its introduction in the House will depend upon sentiment, which, of course, cannot be determined at this time, but I plan to get it before Congress just as soon as sentiment in

(Continued on page 94)

# Washington and Your Business

BY IRA E. BENNETT

Editor 1909-1934

"The Washington Post"

**Dear Mac:** We're still in the dark. We know that the New Deal continues, but we don't know what is in store for business. The President has thrown little light on new proposals that he may have in mind. His habit is to disclose his plans in installments in messages to Congress. We hear rumors of new plans, such as a second edition of NRA, a national cooperative system, and so on, but for definite information we'll probably have to wait five or six weeks.

The great question settled by the election, as Washington views it, is that the fundamentals of the New Deal will continue, with substantially the same personnel, under the President.

Best informed people believe that this means continued use of the \$2,000,000,000 stabilization fund; continued reduction of the tariff through trade agreements; continuance of the Hopkins Works Progress Administration and the Tugwell Resettlement Administration; and continuance of farm relief under the soil-erosion and soil-conservation program.

That is, Congress is expected to approve the President's plans for carrying these matters forward.

## Getting Under Way

THE Administration will get under way quickly. No upheaval of personnel will occur. The first and second Roosevelt terms will merge easily. Estimates of revenue and expenditure do not have to be revised.

Budget figures may give us quickly a line on the attitude of the new Congress toward the President. I hear many people say that this incoming Congress will not be of the rubber-stamp variety. If that's true, the first test may come when the President asks for relief funds. It's supposed that the two big agencies under Hopkins and Ickes will want \$1,500,000,000 for the year beginning July 1. If the President should ask for this appropriation in a lump sum, to be spent at his discretion, as heretofore, the question as to whether this is a rubber-stamp Congress may be quickly answered.

Tax revision is talked of, but usually tax matters are shoved off till toward the end of a session. Corporations in debt want an opportunity to accumulate earnings to meet their obligations. Other corporations believe they should be permitted to hold back a portion of surplus, without penalty, for the purpose of plant expansion that will increase employment. The President's campaign reference to possible "imperfections" in the corporation-earnings tax may mean that he is willing to revise the law. But other matters probably will come first.

The Social Security Act needs immediate attention, in the opinion of many. Unless a false start is to be made, that law should be overhauled right away. Everybody agrees that the law needs revision—but this doesn't mean that everybody agrees to loosen the grip of the

tax-collector on employers and employees. Labor leaders are expected to renew their demand that workers should not be taxed—that employers must pay all. Administration of the law is a staggering job. Registration of 26,000,000 individuals is hard enough, but classification as to unemployment insurance and old-age pensions is still more difficult. A beginning has been made toward registration, but there are doubts as to the efficiency of the experimental system now being tried out.

When this question comes up, a demand will be made to amend the act to take care of cases in which corporations have already established old-age or other employee-benefit systems.

## Social Security

UNTIL and unless Congress revises the Social Security Act, the Social Security Board will enforce its provisions—if it can. First job is to sift out employees who will be entitled to old-age benefits before 1942. They will be paid lump sums equivalent to 3½ per cent of wages earned after January 1, 1937.

Social Security Board is sending out blank forms which will be gathered by postmasters and returned. Employers will be asked to gather up blanks from their employees, to be turned over to postmasters. How to keep track of employees shifting from job to job and from state to state, sometimes idle and sometimes working, is a task that calls for the biggest aggregation of clerical forces ever assembled, not even excepting the staffs that handled the World War draft and veterans' insurance and bonuses.

Underlying this law is the question whether the federal Government has jurisdiction over concerns doing a purely intrastate business.

Still more fundamental is the question as to the scope of the "general welfare clause." This clause is invoked as the basis of the Social Security Act. Opponents claim that it runs afoul of the prohibition against taking property without due process of law.

## The New Trading Law

FEDERAL Trade Commission is slowly working out its interpretation of the Robinson-Patman Act, which seeks to prevent unjust price concessions to big buyers to the disadvantage of smaller buyers. Hearings have been held on specific complaints, and Commission is now trying to work out a rule that will permit honest differentials resulting from lower cost of handling large orders, while barring fictitious commissions, advertising allowances, etc.

Apparently the law attempts to regulate sales in intrastate commerce as well as in interstate commerce, by applying its provisions to either seller or buyer if either is in interstate commerce. This feature of the law is likely to be tested on constitutional grounds.

After the Trade Commission has worked out its interpretations and applied them, traders will have opportunity to appeal to the courts if they wish. Final upshot is expected to be decisions which will reconcile trade practices affecting price-quantity differentials with intent of law to protect all buyers, big and little. Business men's

interest in this bill and the difficulties of interpreting it are demonstrated by the correspondence pouring in to Washington agencies. One such letter, from a NATION'S BUSINESS reader puts the case more succinctly than most:

Passing over strictly legal and constitutional questions, I have attempted to analyze Section 2. My analysis may not be complete, but I believe that Section 2 prohibits discrimination in price in the following instances:

1. Where the effect may be substantially to lessen competition.
2. Where the effect may tend to create a monopoly.
3. Where the effect may injure any person who grants such discrimination.
4. Where the effect may injure any person who receives the benefit of such discrimination.
5. Where the effect may injure any customer of the person who grants such discrimination.
6. Where the effect may injure any customer of the person who receives the benefit of such discrimination.
7. Where the effect may destroy competition with the person who grants such discrimination.
8. Where the effect may destroy competition with the person who receives the benefit of such discrimination.
9. Where the effect may destroy competition with a customer of the person who grants such discrimination.
10. Where the effect may destroy competition with a customer of the person who receives the benefit of such discrimination.
11. Where the effect may prevent competition with the person who grants such discrimination.
12. Where the effect may prevent competition with a customer of the person who receives the benefit of such discrimination.

On the basis of this analysis these questions, among many others, remain unanswered in my mind:

1. Who is to decide whether discrimination may or may not have the various effects cited?
2. What does "Substantially" mean? Does it mean "in substance," or does it mean "to a substantial extent?" Either definition is vague when applied to the general subject of "competition."
3. What does "competition" mean?
4. What is a monopoly?
5. What are the limits of a tendency to create a monopoly and who is to define these limits?
6. Who is to say when a person has been injured?
7. How can a person be injured in the granting of a discrimination?
8. Is the injury to be measured by the damage to his own pocketbook, or in the injury to his pride in not being able to make trades without discriminatory concessions?
9. How can a person be injured in receiving the benefits of discrimination, except that he might get the habit of trading only on concessions and be unable to trade otherwise?
10. When is competition destroyed? Is it when all competition disappears, or when only a part of competition disappears, that is, when all competitors disappear, or when only one or a few competitors disappear?
11. When is competition prevented—when one competitor, some competitors, or all competitors are prevented from competing?

### Farm Relief

CONGRESS will have to face the question of farm relief this winter.

Benefits under the erosion-prevention and soil-conservation law will call for new appropriations. That brings up the question whether the law

is to be extended or scrapped. Many hands are at work on the crop-insurance idea, but no plan has been evolved.

Federal Trade Commission will make a report covering farm conditions in many phases—farm income, prices of farm products, cost of farm-consumed products, and details of an inquiry into farm-implement and farm-machinery concerns (whether monopolies exist, whether prices have been reasonable, how much profits were made, who got the profits, what salaries were paid, whether these concerns or their officers dodged income-taxes, etc.)

### A New Guffey Act

SENATOR GUFFEY of Pennsylvania announced in the course of the campaign that he would offer a bill in Congress to regulate the soft-coal industry in such manner

as to comply with the Constitution. He gave no details.

Congress was so eager to help coal miners and the soft-coal industry that it did not allow reasonable doubts of constitutionality to stand in the way of its sympathies. That did no good to miners or industry. The work must be done over again. How to regulate mining by federal law, when the Supreme Court holds that mining is wholly within state jurisdiction, is a hard nut to crack—but Senator Guffey says he can do it.

### Government in Business

LITIGATION attacking the validity of the Tennessee Valley Authority Act is slowly approaching the Supreme Court. The core of that act is the assumption that the federal Government, as a merchant, can engage in the business of developing and selling electric power.

Pending an answer to this all-important question, the Supreme Court is about to pass upon the question whether the Government was right when it lent and donated public money to a county to build a power plant in competition with a private power concern. The first transaction was based on the public works portion of the National Recovery Act, but later Secretary Ickes produced a contract based upon his authority to distribute money under the relief act of 1935. The fundamental question at issue remains the same.

### Paying Debts

INTERSTATE Commerce Commission has decided that provision for sinking funds shall be included in all refunding issues hereafter in refinancing reorganized railroads.

This plan is expected to facilitate payment of funded debt and also obviate necessity of refunding operations when money rates are high. This policy runs squarely counter to the corporation-earnings act, which doesn't permit corporations to set up sinking funds to extinguish debt or cushion themselves against high interest rates.

If the Government believes in sinking-funds for debtor railroads, why shouldn't it favor sinking-funds for debtor corporations?

### Japanese Competition

AMERICAN cotton manufacturers will try to induce Japanese competitors to join in a gentlemen's agreement looking to abatement of Japan's fierce competition. Tariff doesn't meet the situation because of Japan's lower labor and other costs. Imports of cotton cloth from Japan are rapidly increasing. American cotton manufacturers can't compete with Japan in Latin America or the Far East and are losing their markets there.

As Japanese are good traders in diplomacy as well as cotton, it's natural to expect they will demand something substantial in return for any agreement to forgo

their advantages over American cotton manufacturers in this and foreign markets.

Back of the American overture is a veiled threat of retaliation, but it's a question as to how any retaliatory scheme would work. Higher cotton duties are improbable—they would have to be jacked up to extreme heights to offset low Japanese wages. Besides, it's not the practice of Congress to raise the tariff piecemeal.

How to bring back health to the cotton-goods industry is another headache for the administration.

## Buses and Trucks

DIVISION five of the Interstate Commerce Commission is going forward with hearings relating to safety rules and devices in interstate operation of buses and trucks. Jurisdiction over buses and trucks is placed in the Bureau of Motor Carriers of the Commission with John L. Rogers director. Bringing commercial interstate highway traffic under federal regulation is an enormous and complicated job. Much preliminary work has been done, but more remains to be done. Hearings have been held as to sizes and weights of vehicles. Safety of operation and qualifications of drivers are under consideration, as well as hours of service of drivers.

Bus and truck operators who were doing business on June 30, 1935, are given permits if they are contract carriers and certificates of convenience and necessity if they are common carriers. Ultimately the I.C.C. intends to fix maximum and minimum rates for common carriers and minimum rates for contract carriers. A lot of checking-up is necessary before fixing rates.

Truck Association of New York City threatens to attack the law as unconstitutional so far as minimum rates of contract carriers are concerned. Truckmen claim that these are private contracts with which government has nothing to do. But it seems probable law will be sustained as to power of government to regulate sizes and weights, qualifications of drivers, and safety provisions touching buses and trucks in interstate commerce, whether contract or common carriers, or both.

## Labor Legislation

DISSENSIONS in the American Federation of Labor raise doubts as to character of labor legislation to be pressed upon Congress. President Green of the A. F. of L. wants the Black 30 hour bill pushed forward. John L. Lewis stands first of all for a new bituminous coal law. Both Green and Lewis are expected to merge their forces behind a new law to enforce collective bargaining in case the Supreme Court knocks out the Wagner labor-relations act.

## Rising Wages And Prices

WAGE increases by steel companies are believed to be the prelude to higher wages generally throughout industry, as business improvement continues. Cost of living is rising—foodstuffs, clothing, rents. Economists say this is all to the good, provided the movement is peaceful and general. Shipping strike seems to indicate that changes will be accompanied by labor troubles. Leaders of the "industrial union" movement insist that wage increases will not stop their efforts to bring steel, rubber and automobile workers into industrial unions.

## "Concurrent" Power

THERE'S talk of a proposal to put through a constitutional amendment conferring concurrent power upon the federal Government and the states to control industry, agriculture and labor. The "concurrent" idea is supposed to

ward off opposition to extension of federal power at the expense of the states. Ostensibly the states would retain their police powers.

Good lawyers tell me that the "concurrent" idea will not last long under the fire of debate that will blaze up when it is seriously proposed to empower the Government to regulate all industry, agriculture and labor, regardless of state lines. They say that state powers must either remain intact or be swept away entirely.

## Tariff Reductions

INDUSTRY, agriculture and labor are affected by tariff revision, even if they don't realize it yet. The tariff law contains 15 schedules of dutiable articles, covering about 6,000 separate items in 517 paragraphs. It's impossible to give details here of changes made in trade agreements, but you can get an idea of their scope by the number of paragraphs that have been changed. They total 190, or more than a third of all. Of 97 paragraphs dealing with chemicals, trade agreements have changed 34; earthenware and glassware, 18 changes out of 36; metals and manufactures, 30 out of 98; wood and manufactures, five out of 12; sugar, molasses and manufactures, two out of six; tobacco and manufactures, three out of five; agricultural products and provisions, 45 out of 83; spirits, wines, beverages, four out of 15; cotton manufactures, seven out of 24; flax, hemp, jute, five out of 23; wool and manufactures, three out of 22; silk manufactures, four out of 11; rayon and other synthetic textiles, five out of 13; papers and books, seven out of 13; and sundries, 18 out of 59.

Fourteen trade agreements are in effect and four others in preparation. Administration intends to make many more. All reductions in American tariff are conceded to all nations as well as to the trade-agreement country. Results of agreements thus far are greater increases in imports than in exports—that is, competitors of American producers are getting the best of the bargain. The reason is simple: America is a better market than any other, or many others combined.

As the pinch of foreign competition increases the squirming begins—already we hear protests from farmers, and certain industries are waking up, notably cotton manufacturers.

## Pan-American Conference

NO business or commercial benefit is looked for from the Pan-American peace conference. American delegates to Buenos Aires represent various phases of peace movements. No business man is among them.

Only two trade agreements have been made with South American countries—Brazil and Colombia—and they cover very few items. Deals with other countries are stymied by various obstacles. Argentina is sending us a lot of corn and Uruguay rapidly increases her canned meat exports to the United States.

## Dots and Dashes

PHILIPPINE government has turned down proposal to set up a single legislative body. . . . American Federation of Labor bulletin reports "total labor income" for first eight months of 1936 was \$26,547,000,000, an increase of 11.8 per cent over same period of 1935. . . . Power of federal government to regulate milk industry, including prices, will be tested in Supreme Court. . . . Air-conditioning system for U. S. Capitol and Congress offices will serve 2,000 rooms. . . . Increase of foodstuffs exports for first eight months of this year compared with same period last year was four per cent, while increase of imports of foodstuffs was 44.5 per cent.

# The Toy Business Isn't

BY JAMES L. FRI

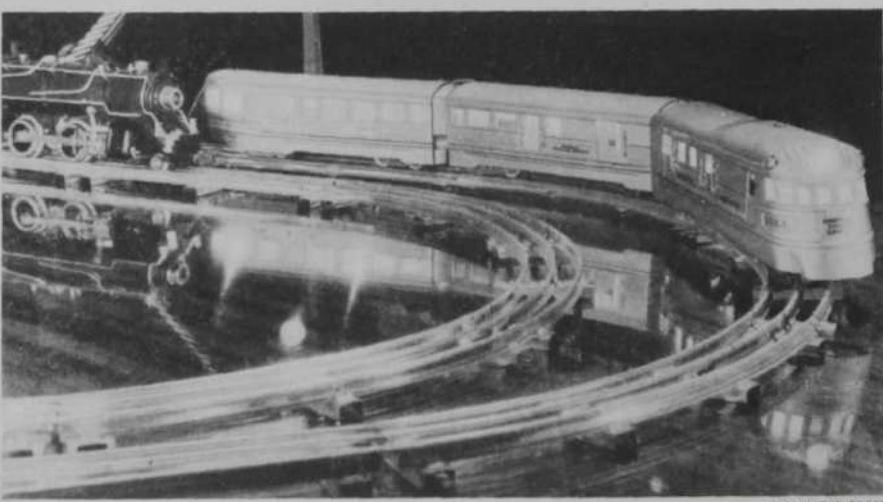
Managing Director, Toy Manufacturers of the U. S. A., Inc.

THIS country, thanks to a World War, some sound ideas and considerable ingenuity, has become the toy center of the world with

annual sales of \$215,000,000. But think twice before you decide to invade this field. It is not as easy as it looks



Streamlines appeared in toy autos, trains and wheeled toys almost as soon as they were accepted by the adult world



CHRISTMAS day a hundred years ago, several million children in Europe and America thanked Santa Claus for a variety of toys which decorated the Yuletide tree or bulged their stockings hung over the fireplace.

The jolly Saint's pack contained dolls, animals, noisemakers and a great variety of toys which were faithful miniatures of carriages, sail-boats and house furnishings with which the children of the age were familiar.

Although these playthings of a century ago were often realistic copies of adult equipment, they were designed to fulfill the dictionary definition of toys as "something fragile, of little value, for amusement as distinguished from use." Almost all of the toys were made by craftsmen in their homes or in small shops and German whittlers had already established leadership in producing intriguing novelties that amused the children of other lands.

While 1836 parents purchased these toy novelties or surreptitiously whittled their own versions while the children were asleep, an obscure teacher named Froebel was causing amusement among educators in Switzerland and Germany by propounding the "quaint" theory that the most important time for educating children was during the formative years from one to seven and that play hours provided the best schooling anyhow.

Toys could be made the most effective educational tools, he declared, if they were toys "with which the children could learn by doing—could de-

# All Play



INTERNATIONAL NEWS

The child can attempt with her doll most of her mother's activities in caring for a baby

velop and coordinate their minds, senses and muscles."

No toy makers and hardly anyone else paid attention to this novel theory of play for many generations. Yet this doctrine, first championed by Froebel, founder of the Kindergarten, eventually laid the ground work for the rapid growth of the American toy industry from a retail volume of around \$50,000,000 in 1914 to an estimated \$215,000,000 retail volume in 1936.

## Toys are now educational

THE American Toy Fair of 1936, the official industry show sponsored by the Toy Manufacturers of the U.S.A., presented more than an acre of playthings to 3,000 U.S. buyers, as well as buyers from England, Australia, Holland, France, Canada, South America and South Africa. More than 400 manufacturers exhibited toys and games. Most of them featured their merchandise as "educational" and described how children could use their toys as an aid to development and, by doing so, enjoy their play much more. Many toy offerings were recommended as scientifically tested for age suitability.

This advertising is typical of the current trend in merchandising toys as "educational tools which are budget



American enterprise has developed dolls with real little girl faces

necessities." Fun value is, of course, the first test of a plaything, but its purpose is being given more and more emphasis by manufacturers and retail stores—a policy which echoes with amazing exactitude the principles of learning through play which Froebel preached a hundred years ago.

The 1936 toy show represented a dramatic contrast to the showings which the American toy industry might have mustered in 1916. Before the war, Germany held unquestioned world leadership in toy manufacturing. The principal volume of toys were novelties. Playthings with which children could learn by doing were expensive and not in general use.

When the war-time embargo on German merchandise went into effect, the American toy industry capitalized this opportunity for advancement by breaking with the novelty tradition in toy designs. It pioneered in the invention of safe, durable playthings, mechanically perfected so that children could manipulate them in a variety of ways. Dolls typify the resulting change as well as anything.

Some years ago dolls were fragile, made to be admired from a safe distance. Clothes were fastened on securely and not intended to be manipulated by little fingers.

Today the doll developed by the American industry is made principally of rubber and composition. She is almost unbreakable and she has a real little girl face instead of the prim grownup expression of the bisque dolls. Her clothes are washable and easy to put on and take off. With her the child can attempt most of the activities of her mother in taking care of a baby. Bathing the doll, for instance, has been added to the list of favorite playroom sports.

The child is encouraged to use her hands in a great many manipulations which are fun because they center about the care of the doll but are also educational. And, from a strictly business point of view, the toy department of 1936 is able to sell a great variety of doll accessories such as bathinettes, doll trunks, doll carriages and

doll beds to add to the profits of the toy department as well as to the play value of the doll purchased.

Changes such as this have made America the center of the world's toy industry as far as ideas, development and standards are concerned. Study, research, planning and American skill in mass production play as important a part in producing toys as in producing the things which the toys reproduce in miniature. And, since toys are miniatures of the newest designs and inventions in the grownup world, the toy maker faces a constant demand for change and modernization.

### The adults' world in miniature

**WHEEL** toys, handcraft play sets, electric trains, miniatures of transportation models which, with dolls, are the staple lines which make up the great bulk of toy sales, must be redesigned to reflect important changes in adult models. Streamlines, for example, appeared in toy trains, airplanes and autos almost as soon as they were accepted by the adult world. Today toy motorland, even in the low price range, features electric headlights, horns, streamlines and balloon tires. Building sets reproduce the latest scientific method of building houses, skyscrapers, boats and bridges and, for the youthful stickler for detail, there are all kinds of industrial machinery which would be used on the adult job. For the artistically inclined there are landscape gardening projects, miniature bungalows or town houses which may be furnished with period furniture. For the young scientist, the toy industry offers microscopes and chemical sets.

In all of these things the peace-loving spirit of America is reflected as a contrast to the uniformed dolls and the high percentage of military toys produced abroad. Even the G-men's defense of law and order inspires less than one per cent of American toy offerings this season.

This constant need for new designs is one of the reasons why the toy industry has proved to be one of the most difficult for a new manufacturer to enter. It requires wide knowledge, not only of consumer interests but of distribution practices and channels. Because of this, although almost as many people think they have invented a great toy as think they have written a great American novel, very few strictly new toys appear in any year. Most of them are merely improvements on previous models.

H. D. Clark, Assistant Director of the Toy Manufacturers of the U. S. A., is the man to whom amateur toy makers send their hopes and models. He has to tell 99 per cent of them their idea has been on the market for years in a basic form or else is commercially impractical.

Frequently toys which seem to be new are actually merely undulations in a broad trend. Every year there is a spotlighting or playing up of certain types of toys, something that catches the fancy. Jig-saw puzzles are an example. They have been made and sold for years but, about three years ago, an intense demand developed. Whereas, normally, four or five companies had been making jig-saw puzzles, at the peak of the demand more than 85 companies were in the field. Cheapening, saturation and consumer turning away came quickly, but a few companies still enjoy a healthy business in jig-saw puzzles.

It is interesting to note that, of these 85 companies making jig-saws at the height of popularity, more than 75 per cent got into the business too late or failed to adjust their production to the decreasing demand. As a result, many of them took a substantial loss.

Such fads and short-lived fashions are just as common in toys as in any industry. Although there is no way to predict the duration of the cycle of popularity, the safest rule to follow is that "the duration of interest is inversely proportional to its intensity and rate of acceptance." That is, if a wide interest develops overnight in any particular toy, the chances are that the toy will last for only one or two seasons. It may, of course, enjoy a new cycle of popularity later.

### Old games revived

THERE are cycles of popularity in many types of toys. For example, the intense period of popularity of mah jongg in the early twenties, also bagatelle and backgammon. Many of these cycles of interest were merely intense revivals in very old games, the intense period lasting for a short time, usually about two years, but the broad trend of interest continuing as it has over a period of years.

Adult game fads are probably the most unpredictable and perilous phase of the toy industry. The demand for purposeful toys which children could use to aid their all

(Continued on page 74)



Constant change to keep abreast of the newest designs and inventions in the grownup world helps make the toy industry one of the hardest for newcomers to enter

AKRON PHOTOS

# The Real Business of Retailing

BY KENNETH COLLINS

Vice President of Gimbel Brothers, Inc.



ARE you a merchant or merely a store executive? This article will help you decide and, further, will tell you how to take advantage of what this writer calls retailing's greatest opportunity

RECOGNIZABLE facts, which are borne out by almost every index of business, testify that the depression is past. It belongs in textbooks, not in current discussions.

Two years ago we were still under the spell of a depression psychology. Had this state of mind not prevailed, much of American business would not have survived. The general attitude was one of critical appraisal, of weighing the "no's" before the "yes's," of seeking always to curtail rather than to expand. It was a method of trimming sails before a disastrous gale. Every major executive found it necessary to spend most of his time on questions of expense.

Interest rates on mortgages had to be reduced, rents had to be revised on a lower basis, warehouses had to be abandoned, whole functions of businesses had to be eliminated. And when these larger economies were effected, these same executives had to turn to petty economies.

I have seen the heads of large industrial concerns, in these past few years, inspecting their buildings to see that employees turned the lights out. I have seen them haggle over the purchase of a small piece of carpet. I have seen them passing judgment on every salary change—no matter how trifling. I have even heard about one who personally inventoried the tools in the various trucks owned by his company. Many of these petty economies were necessary in a period of rapidly diminishing business.

But this habit has now become firmly entrenched in the thinking of most executives. I see it to a marked degree every day in retailing. For



confirmation let's take the typical day of major store executives, and I assume that these days are similar to those spent by the major executives of other types of American business.

### A day of economizing

THE executive arrives at his desk in the morning to be confronted with a discussion of the replacement of a revolving door that has become obsolete. The better part of an hour is devoted to a discussion of one as against another type for a total saving of \$30 or \$40.

Then an efficiency expert presents a new plan for cutting the size of all printed forms by a half inch this way and a quarter inch the other way. The change would mean an annual saving of \$242.50. By 11 o'clock the executive has plowed his way along to another hour's consideration of a new type of pre-packing which theoretically should speed up the work of the packing division by some four

signature. They involve a total expenditure of two hundred and some odd dollars, have already been scrutinized, pared down, and signed by three other executives, and are finally okayed after 30 minutes of wrangling.

The day ends with a ponderous conference about the ability of a certain elevator in the warehouse to carry the loads required.

This executive then returns to his family, satisfied that he has spent a profitable and useful day.

But what have all these trivia to do with running a department store? A child, in his naïve innocence, would suggest that a store is a place where goods are bought, displayed, and sold.

And that child, in his naïve innocence, is perfectly right.

This is no time for the heads of stores to be fiddling with petty expenditures. If, by this time, they haven't trained the management and control people under them to do an efficient job, then they no longer belong in the business. Their job now

immediate examination if, for one minute of one business day, we forget this lesson. But organizations are now well trained in this type of thinking, and it is high time for the heads of companies to let others carry on the work of economizing and direct their own energies exclusively toward getting new business.

Every so often a merchant comes into my office and asks me if I would be willing to tell him the source of a specific article offered for sale. He sees in that article the possibility for enormous volume for his own firm; he sees in it the possibility for a large gross profit to his store. When I talk with such a man, I usually tell him what he wants to know, even at the risk of inviting competition. For in him I recognize a merchant, a man interested in one thing only—buying and selling goods. But few of these men come to see me.

Usually my visitors want ponderously to discuss the Robinson-Patman law, the impending threat of trade organizations, the 40 as against the 48 hour week, the need for sandblasting buildings, the pros and cons of centralized delivery systems, the color of the walls in the bargain basement, the fly specks on the display windows, everything in the world, in fact, except the one thing that makes the wheels go round—the buying and selling of goods.

### See everything but sales

THESE people walk through stores. They admire the fixtures, criticize the adjectives in the advertisements, remark on the new type of cash register. They evince interest in a novel method for protecting merchandise in the glove department and they pontificate pompously about minute management problems, and think that they are demonstrating a grasp of retailing. I, for one, am rarely awe-struck and listen only for the sake of politeness.

The very great merchants of this country are not today, and never were, of that type. They have what the old timers chose to call "the feel of the goods." They may, or may not, see the fixtures, but they always see the merchandise. Their offices are usually cluttered with a few dresses or a set of dishes or some new kitchen utensils that are being currently considered for large purchase and large sale.

They spend at least 80 per cent of their time with the buyers, who are the backbone of the business, and a scant 20 per cent with representatives of the other branches of the business because they know that the work these people do is but an acces-

(Continued on page 76)



Merchants must concentrate on the one thing that makes the wheels go round—selling goods

per cent. Noon-hour is devoted to a discussion of the urgent need for re-carpeting a part of some floor. A long survey follows to see whether carpet from some other place can't be laid in the vacant spot.

After lunch he hears proposals from the accounting department about equipment to facilitate the posting of bills and then considers a contract for the coming year's coal supply. The general manager then presents a dozen requisitions for

is to delegate all those pennypinching efficiencies to people down the line and to concentrate their attention and that of their major executives on one thing and one thing only—finding items to sell at a profit.

Don't misunderstand that statement.

The depression, like the war, left invaluable lessons. One was the acute necessity for more prudent expenditures in business. We should go to the nearest psychopathic ward for an



WIDE WORLD

Tourist camps provide light, water, and sanitary facilities for parked trailers

# Change Rides Up in a Trailer

BY WALTER L. McCAIN

BORN of a surge of public interest which, in some of its aspects, is almost fantastic, a great new industry is in the making in the United States. It is the manufacture of tourist trailers, or travel coaches, for which the demand far outstrips existing production facilities and is stimulating an expansion which may become the dominant industrial development of the decade.

Yesterday a hand-made makeshift, today the product of a highly organized mass production assembly line, the trailer may reach a point in 1937 where it will begin to exert a profound influence upon our mode of life.

The story of the tourist trailer is a strange one. It is not strictly a newcomer on the highways. Some trailer owners claim to have been using them as long as 20 years, and one manu-



MAC GREGOR & COMPANY

Standard equipment means beds, ice-boxes, folding tables, stoves for both cooking and heating and lighting fixtures

facturer is said to have been building them for a like period. Yet as recently as four years ago trailer making could hardly have been classed as an industry. Even in 1934 the biggest producer had a total annual production of only 400 units.

At the end of 1936, the same company's annual output will have risen to about 10,000, the utmost limit of its plant capacity. It is estimated that 200,000 trailers could have been sold this year had they been available, but the combined output of all the manufacturers will be only about 20,000.

It is this huge backlog of potential orders which has focussed the attention of the manufacturing world upon this new industry.

The trailer is a sort of natural evolution. Unlike its cousin, the auto-

mobile, or the airplane, the trailer grew almost by itself. It was just the expression of certain human impulses and desires, and in its development hundreds, probably thousands, of individuals played an obscure part. No one knows when the first trailer was built, or by whom, but undoubtedly it was home made, and the builder was simply gratifying his own personal desire with no thought of commercial development. But one led to another until motorists who liked touring and were handy with tools contrived to get enough of them on the road to attract general attention.

Then a few artisans developed some models which were comfortable, attractive and pleasing to the eye. Car owners who weren't handy

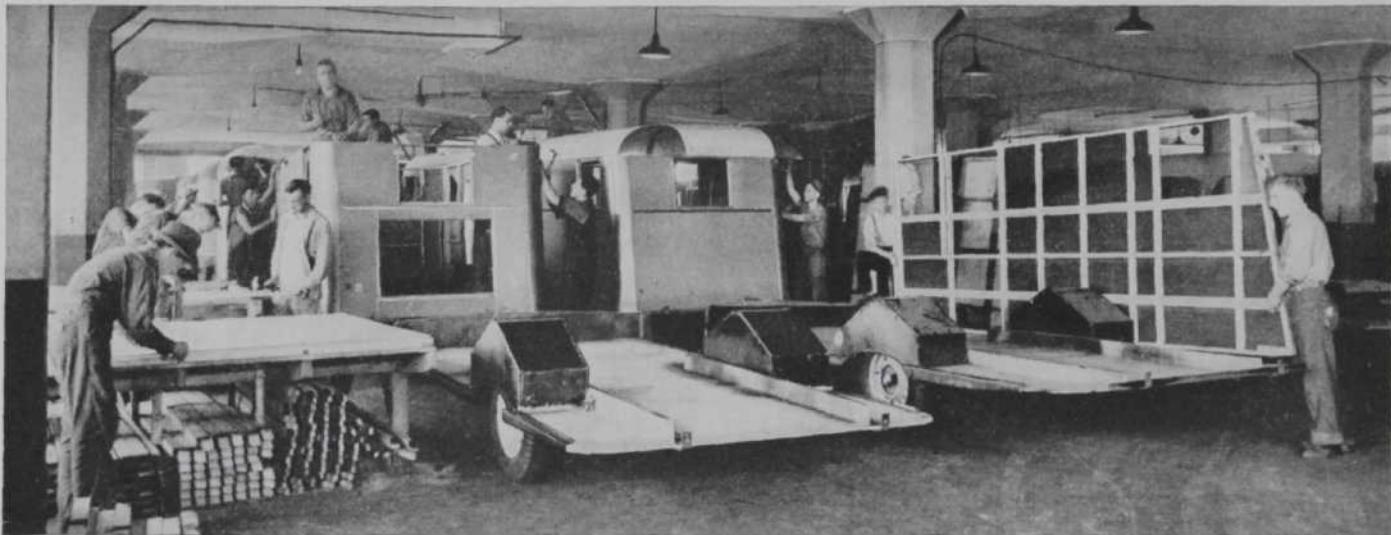
handcraft to a big industry. Automobile manufacturers are eyeing it with obvious interest, and one motor vehicle company, Pierce-Arrow Corporation, has definitely entered the field. Two automobile body makers are making trailers. Another newcomer is the manufacturer of Federal motor trucks. Among the big companies which have this year joined the ranks of trailer makers is a large furniture manufacturer, a lumber operator, and a maker of portable or ready-cut houses.

### Prophets for the trailer

THE trailer is an automotive product. Automobile technique governs many phases of its construction. On

statistics on which to base predictions or observations of this kind. Most states require trailer registration, but the totals which are reported include commercial as well as passenger trailers and the former far outnumber the latter. Last year, 733,414 trailers of all kinds were registered all over the United States. How many of these were of the passenger type can only be estimated but there seems to be no sound basis for setting the figure at more than 150,000.

The surge of public interest in trailers, which first became evident this spring, is founded upon very human impulses and characteristics. Trailers are the product of the same desires which produced the automo-



MAC GREGOR & COMPANY

**From a home-made makeshift, the trailer has become the product of mass production**

enough to build their own called in local mechanics and a small business was started which, at the first of this year, involved some 300 producers of varying size, all over the country. Most of these were hardly large enough to be called manufacturers. Not a few trailers were turned out, laboriously, in blacksmith shops. Practically every one was hand made. Most of them still are.

The man who first brought trailers into quantity production, A. G. Sherman, now president of the Covered Wagon Company, was a research engineer who built a trailer for his own use about eight years ago. A friend saw it, liked it and asked him to make another, and so the Covered Wagon line was born. Late last year, in a new plant at Mount Clemens, Mich., Sherman's Covered Wagon Company adopted the assembly-line method developed in the motor car factories. Today the plant is turning out between 50 and 60 trailers a day and is still unable to keep up with orders.

With spectacular suddenness, the making of trailers has passed from a

the road it is one part of a motor car unit. Yet how different have been the circumstances surrounding their respective developments! Only the far-sighted pioneers were able to get a glimpse, 35 years ago, of the true potentiality of the automobile. Today the trailer, almost as embryonic as the motor car was then, has no lack of prophets of its coming importance.

William B. Stout, for instance, designer of the streamlined Stout Scarab automobile, and developer of a mobile house, not a trailer, is quoted as predicting that "within 30 years half of the homes in the nation will be mobile."

Roger W. Babson, prominent statistician, predicts that half the population will be living in trailers in 20 years.

Another statement has it that 300,000 families are now living in trailers. The American Automobile Association is quoted as predicting that a million trailers will be in use by the end of this year.

As a matter of fact, there are no

bile—a craving to go places and see things, to extend one's horizon and seek new environments. With the motor car, the convenience of quick, comfortable and economical transportation has long since overshadowed its appeal to pleasure alone. The trailer's appeal is more definitely to the pursuit of happiness, although it has a distinctly useful place in business. It combines the thrill of yachting with the mobility and convenience of motoring.

The question naturally arises, what sort of people are buying these tourist trailers? Are they itinerant workers, wandering from job to job, or retired persons economizing in a new mode of life? Are they tin can tourists traveling in style; hoboes who have put their wanderlust on wheels; or are they common, ordinary people enjoying a new toy?

The answer is that all types are represented—except the hoboes, because, after all, the trailer represents a sizeable investment and involves some cost of operation. Some of the cruder models cost as little as \$200

but the average price of a factory-made unit today ranges from \$500 to \$1,000. However, with mass production has come mass distribution, and automobile finance companies are handling time-payments on about the same basis as applies to automobiles.

### Economical models are made

A FEW years ago the de luxe, factory made trailer was an expensive luxury that only wealthy persons could afford. Today the rank and file are claiming the trailer for their own. For those who have retired from business, the trailer affords new means of economical travel and many tourists with modest incomes are able to follow the seasons, wintering in the South, or on the Pacific Coast, and trekking northward with the birds when the cold weather has passed. It is estimated that 18,000 persons arrived in Florida by trailer last winter, and spent the entire season in tourist camps provided by the state, some of them equipped with swimming pools and tennis courts, and many with electric light and sanitary facilities.

One of the principal factors in the increasing use of trailers is the development of the tourist camp. There are about 15,000 of them throughout the country, in recreation centers, in and about the larger cities, and on the highways and byways. In many cases they provide light and water for the parked trailers, and central sanitary facilities. Sanitation is an important consideration, because, al-

though the more up-to-date trailers have chemical toilets, hot water and shower-baths, there is still the problem of disposing of garbage and ashes (most trailers are heated with wood or coal) and such trash as accumulates in any household.

Babson's prophecy, that half the population will be living in trailers within 20 years, centers attention on some perplexing social problems. There is plenty of room for argument as to the extent to which trailers will be used for homes, but no one can deny that they have a bearing on the need for low cost housing. This aspect will assume more serious proportions after a few years have built up a reservoir of used trailers, available at low prices. Important, too, is the consideration that the purchase of a trailer becomes a practical investment if the buyer makes it his permanent home, dispensing with rent and real estate taxes, and upkeep.

In a tourist camp near Washington, D. C., there were recently six trailers, housing 21 persons, on permanent or semi-permanent location. Strictly speaking, it isn't what trailer users call a tourist camp. It is simply a suitable site on a main highway, where the owner saw an opportunity to make his property work for him. So he put in some electric lines, toilet facilities and water. Trailer tenants pay seven dollars rent a month which includes all of the accommodations. Of the six groups just mentioned, three had been on the location for more than two years. The others had "moved in" this spring.

Among them were three construction men, one government agent, one interior decorator, a building superintendent and a retired newspaper publisher. Except the publisher, all were at work in Washington.

Such a situation is indeed thought-provoking. If a few are doing it near Washington how many others are living the same way all over the country? How many houses will be unoccupied because of trailer competition, and how many municipal and state governments will begin to feel the loss of taxes traceable to property which can no longer "earn its keep?" If half the population were to take to wheels, it is obvious that the old system of real estate taxes would become entirely inadequate and government would have to find some new basis of revenue by which the trailer owner would bear his share of the burden.

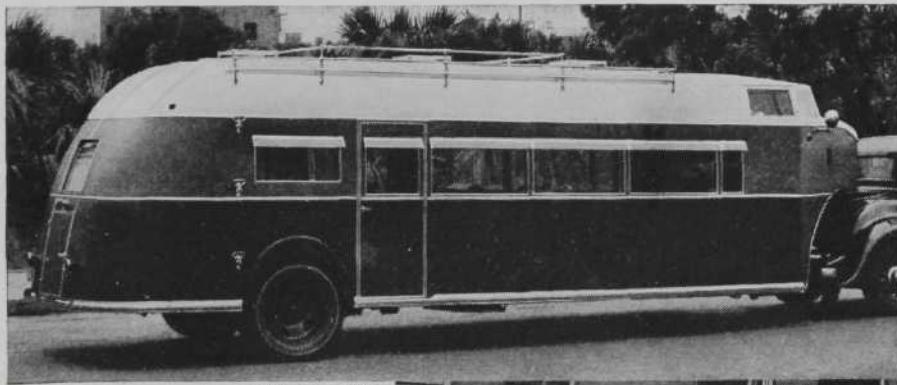
### Tax collection made harder

SINCE the trailer owner doesn't stay put, tax collecting would be complicated. In fact, state lines would tend to disappear, and people would find, as a natural result, a stronger federal Government and more centralized control and supervision. With a huge roving population, many of the old concepts of life would disappear. Business would undergo a marked change. Roving stores might replace community trade as we know it today. If you have a good imagination, it is possible to become alarmed over these possible social and economic changes.

But, although they are worth thinking about, they are not worth worrying about, for two reasons.

In the first place, it is extremely doubtful if any large proportion of the population would be willing to give up the American conception of a home, which is the center of our life and about which have been built most of our ideals and principles.

In the second place, when trailers become so numerous as to affect the  
(Continued on page 81)



VERNE O. WILLIAMS

Trailers average from \$500 to \$1,000 in price but for a de luxe land yacht you can spend almost any amount



Business, too, has adopted the trailer for demonstration and sales purposes



PHOTO CARTOONS BY GEORGE LOHR

Every change in regulations has made it more difficult for the railroads to move goods

THE Interstate Commerce Act became law in 1887. It, for the first time, placed the nation's interstate railroads under federal regulation. The Act included the original "4th Section" governing rate making on the "long and short haul."

That was 49 years ago. In 1910, the 4th Section was tightened. In 1920 the screws were turned once more. Each amendment made it more difficult for the railroads to move goods to distant markets.

As these amendments were being written and as competing agencies were entering the transportation field, a tremendous change was taking place in the life of the nation.

The interior began to dry up! The nation's growth moved to its circumference.

Consider these facts:

In 1910, thirty-eight per cent of our people lived within 50 miles of salt water or the Great Lakes. Ten years later it was forty-one per cent. In 1930 it was forty-five per cent. But still more startling is the fact that between 1920 and 1930, sixty-seven per cent of our population growth took place within this 50-mile zone.

I am one of those who believe this was not a good thing for the nation, interior or exterior. The 50-mile zone cannot hope to build a permanent prosperity at the expense—artificially produced—of the rest of the country from whence must come its minerals, its fabrics, its fuel, its lumber and its food. The interior was paying taxes for its own destruction. Industries in the interior moved toward water, and other industries which might have settled there stayed where they were.

In the same decade, while 67 per cent of our growth moved toward deep water and while the entire nation increased 16 per cent in population, the population of Iowa increased only three per cent; that of Minnesota seven per cent; Kansas six per cent; Nebraska six per cent; Idaho three per cent; North Dakota five per cent; South Dakota nine per cent; Kentucky eight per cent; Tennessee twelve per cent; Indiana ten per cent; Montana decreased two per cent; eastern Washington de-

# Giving All

THE author of the bill amending the "long and short haul" clause of the Interstate Commerce Act explains the purposes of the measure and the benefits which he believes will accrue to business and industry as a result of its adoption into the law

creased ten per cent; eastern Oregon decreased two per cent.

All of these states, and others, depend primarily upon railroads to move their products to market. Whatever the cause, or causes, of this shift of population and wealth, it is evident that congressional treatment of the rail and competing carriers has *not* enabled these states to keep pace with the rest of the nation.

## A change in public opinion

FOR this reason the passage by the House of Representatives of the Pettengill bill repealing the "long and short haul" clause is of great importance.

The significance of that vote goes far beyond the 4th Section itself. It was the turn of the tide. For the first time in 49 years the railroads, their workers and the shippers and consumers dependent upon them, have won a case at the bar of public opinion.

Many sincere and patriotic citizens believe that the nation should take over, own and run the railroads. An intelligent argument can be made for that thesis. I do not argue it here. I ask only these questions:

"If we have government ownership of the railroads, what industry is then safe from federal feudalism?"

"Which is better—public regulation or public operation?"

"Should the Government remain the impartial umpire, or the interested player in the economic game?"

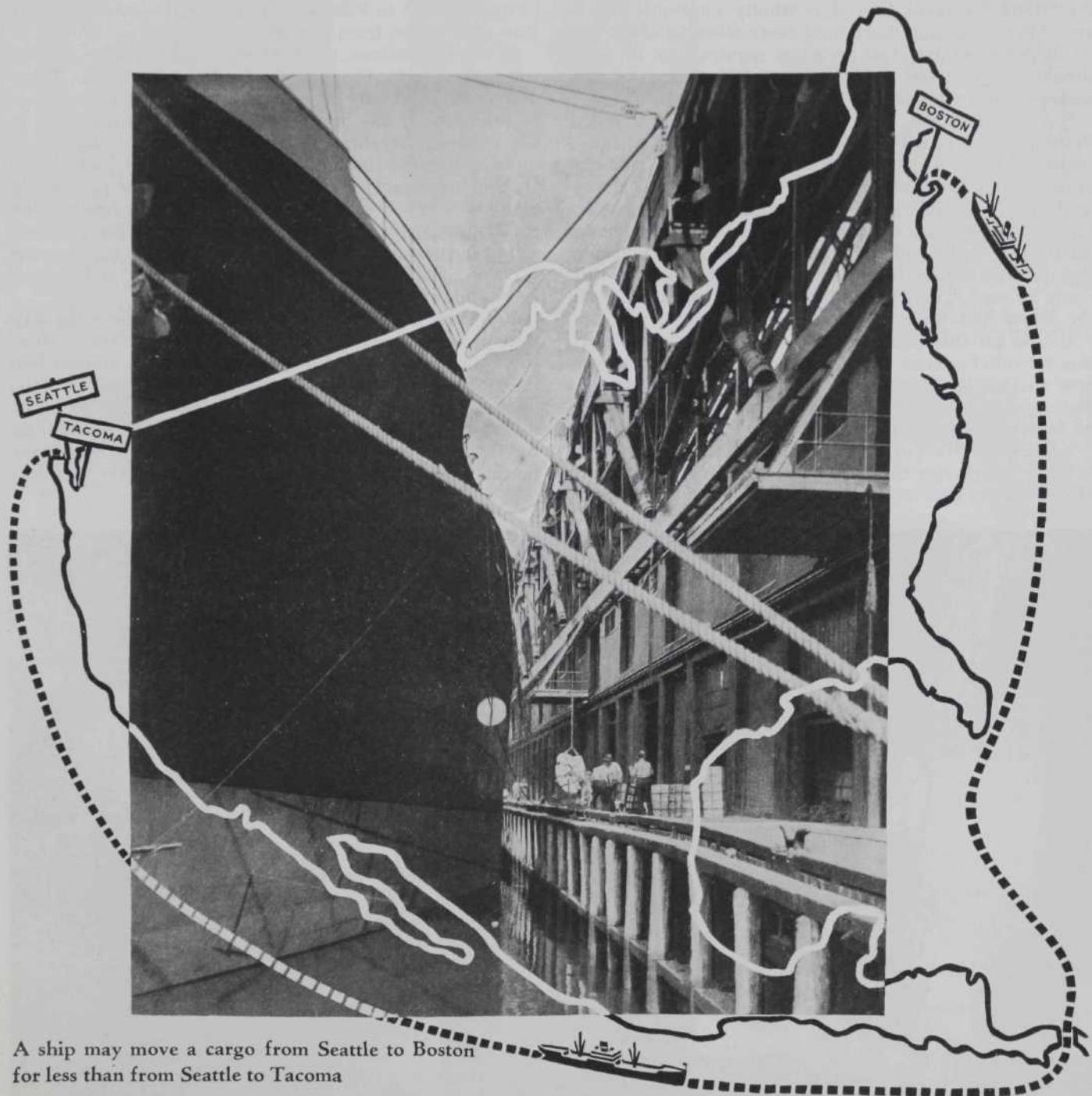
"If it becomes the latter, will the taxpayer pay part of every freight bill?"

These questions are of profound importance not only to the nation as a whole, *but to competing carriers as*

# Shippers an Even Break

BY SAMUEL B. PETTENGILL

Member of Congress from Indiana



A ship may move a cargo from Seattle to Boston  
for less than from Seattle to Tacoma

well. Can they, in private hands, survive against government ownership of the railroads?

Against this broad national background let me now discuss the "long and short haul" clause which the bill would repeal.

In one sentence it provides that a railroad shall not charge less for a long than for a short haul over the

same route and in the same direction. After you strip the shucks off, that is the nubbin.

At first blush you will say, "Fair enough; what's wrong with it?"

At a time when the rails had a practical monopoly of the transportation field, I think we will agree, in broad terms, that freight rates ought to be in rough propor-

tion to length of movement. That predicate will always have a large element of fairness, in the rough.

But to the extent that it is sound, the predicate ought to apply equally to other carriers. But ships, trucks, buses, pipe lines, and aircraft have no long and short haul restriction. A ship, for example, can legally move a cargo of lumber from Seattle to Boston via Panama Canal and Key West for less than from Seattle to Tacoma. This freedom from restrictions gives water movement of freight an added, artificial advantage, created by statute.

### A restriction on markets

PASSING the point that it is wholly impracticable to apply the long and short haul restriction to ships and trucks, elemental justice seems to require that the rails should also be freed from such a restriction *when necessary* to move goods into competitive points.

But at this point, it is important to realize that the Pettengill bill is essentially a shipper's bill and not a "railroad bill." It originated as a shipper's bill, having been written and first sponsored by the National Industrial Traffic League, representing some 600,000 shippers throughout the nation. As shippers why did they sponsor it? Only to reduce distribution costs, broaden markets, and quicken service. Shippers are not interested in railroads as such. Their prime interest is to reduce costs to the buyer and thus enlarge the markets of producers.

Let us get this point straight. Practically every petition for relief against the "long and short haul" clause as now written is filed only because some shipper asks the railroads how he can move goods into a market closed to him by transportation costs.

Let me give two or three illustrations:

Some years ago the newsprint industry of northern Michigan and surrounding territory wanted to get news-

print to the newspapers of the South to meet the competition of newsprint entering those markets, by water, from Nova Scotia and Scandinavia. Unless they could meet the delivered price of their foreign competitors they would lose that market. They asked the railroads to obtain 4th Section relief. The railroads applied. The Commission denied the application and American workmen and capital stood idle.

Another illustration:

I am told that Australian and Argentine wheat is now coming into the Southeast and American wheat from our Northwest is precluded from that market because the 4th Section prevents the railroads from quoting northwestern farmers freight rates that will permit them to move wheat to Florida and the Southeast in competition with wheat from abroad.

In such situations, the railroads ought to be permitted to charge less for the long than for the short haul. Those occasions arise only when competitive conditions exist at the point of destination which make it necessary, in the interests of shippers and buyers, to do so. But in quoting less for the long than for the short haul, when that is necessary, railroads do only what practically every producer does. Few people do all their business on the same margin of profit. They sell first where they can sell to the best advantage and then they sell their surplus for whatever they can get for it, provided it yields some profit, however small.

Railroads sell surplus transportation in the same way that producers sell surplus goods. A truck farmer close to a county seat will haul tomatoes into that market two trips a day. His surplus tomatoes he will haul into the next county seat, one trip a day. His margin of profit differs at the two points. He gets less for the long than for the short haul. But he is glad to get into the distant market, even at a small profit. It helps carry his over-

(Continued on page 82)



The bill is designed to do what shippers have clamored for for years—reduce distribution costs, broaden markets, foster competition and increase standards of living

# Men Whose Names Make Business News



**CHEMIST MAKES CANS**  
Dr. H. A. Baker, noted for chemical research in canning technique, is new president of American Can Co.



**BATTEN FOR AYER**  
H. A. Batten, 39, chosen president N. W. Ayer & Son, Inc., after 24 years' service with company



**ADVERTISERS LIKE HIM**  
Allan Brown of Bakelite Corporation new chairman of board, Association of National Advertisers



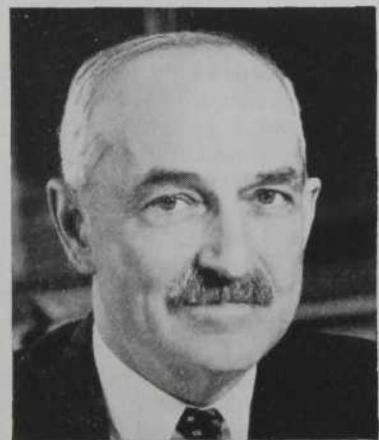
**YOUNGEST**  
William J. Rushton of Birmingham, youngest executive ever to head National Ass'n of Ice Industries



**PROFITS SENTRY**  
Edward Pilsbury, president, Credit Men's Association, heads campaign to "Guard the Nation's Profits"



**BEAUTYREST**  
G. G. Simmons of Simmons Company celebrates creation of 2,500,000th Beautyrest mattress



**FINDS MARKET**  
Herman Russell, new head of American Gas Ass'n, points to potential market for 10,000,000 gas ranges



**NO MORE SPARES?**  
T. J. Lane whose National Ass'n of Independent Tire Dealers asks Manufacturers not to sell "spares"



**TOPS**  
Alexander E. Patterson of Chicago leads National Association of Life Underwriters into promising year

# Who Will Save Us from

BY GEORGE BARTON CUTTEN

President, Colgate University

**N**EWSPAPERS remind us daily that mankind and his vaunted civilization are fighting for life. That is nothing new, they have been doing so for tens of thousands of years. Man with his highly specialized body is unlikely to survive, and the civilization which he is trying to develop by ignoring many fundamental, instinctive demands cannot continue long in its present direction.

Man has never been without powerful enemies and some of them still threaten him. They are of two classes, the predatory and the parasitic. Hunger and laziness are widespread biological impellents; the age-long and universal struggle for food and a desire to find the easiest way of obtaining it have developed both classes of enemies.

Conditions in the social world are not far different from those in the physical. There are, to be sure, nations with avowed predatory ideals.

WE are constantly warned against the predators—those who are strong enough to swallow alive the small and the weak. Watchful guardians are ready to protect us from them. But nobody stands watch against another type of enemy that is equally dangerous

enacted, and classes are arrayed against them.

However, law suits are not frequently initiated, because, in the past, there has been so little evidence to support the wild tales of predation that it pays the demagogue best to



complacent host. Under the plea of sympathy or some other plausible guise it enters with as little resistance as a typhoid germ, and does not make its presence felt until it has set up housekeeping under the midriff.

It is the cause of a dread disease, threatening if not destroying the life of the nation. It is not only the cause of disease, however, it is also the symptom of an unhealthy condition. The fact that the parasite can get a foothold shows that the resistance is low, and that the body politic lacks vigor and strength.

But see how it operates in detail. A youth comes to my door asking for a dime or a meal. His innocent face and evident distress call forth my altruistic sentiments—I feel sorry for him. Of course, the easy thing is to give him the dime. I thereby get rid of him and at the same time I acquire a glow of righteous feeling which

In our own country there has been a continual attempt to keep alive the fear of predatory social bands, often an effort to inspire class rivalry for political purposes, the successful being labelled the predatory. They are the big and powerful, trying to swallow alive the small and the weak. It is easy to designate the predatory, and to show where they live. So, public feeling is called upon, laws are

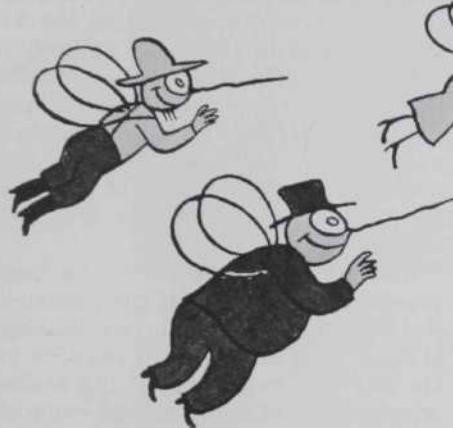
make accusations rather than to show proof. In fact, the wolves of Wall Street are about as scarce as the wolves in the Adirondacks—the predatory bands are about wiped out, except for the purposes of political campaigns.

We have heard a lot and read reams about the predatory rich, but is it not time that some one said something about the parasitic pauper? In these social parasites we find a close analogy to the physical; an ever increasing and vast multitude insinuating itself into the body politic, threatening to destroy the

# the Parasite?

gives me an emotional shot for the rest of the day.

My neighbor takes the trouble to think; he refuses the boy's request and, before turning him away, tries



to suggest some plan of self-support. He may feel mean about it, but he is willing to sacrifice himself for the sake of the boy. He is not willing to help the boy make a tramp of himself for the sake of ten cents' worth of self-righteous feeling. He has done his best to make a man of him; my action encouraged him to be a parasite.

Of course, I call my neighbor tight-fisted, unsympathetic, hard-boiled, and stingy—but I do this because I know he is right and I am wrong. I've been the selfish one, he the unselfish.

God never did a better thing for the children of men than when he turned Adam and Eve out of the Garden of Eden and told them to hustle for themselves. He then started the race on its road to progress and gave it its first upward shove. Incidentally he registered his opinion of parasitism, and put a quietus on social security for a million years.

The curse of slavery was not that men were deprived of their freedom by their fellow men—as bad as that

was and is—but that the slave owners became parasites. History reveals that more civilizations have been destroyed through the injury done by slaves than to slaves—and this injury was done to the owners.

The slave is no longer a factor in our civilization, but the caddy has taken his place. I do not mind paying the caddy his fee, but I refuse to let him carry my bag—it is not fair that he should get both the money and the exercise. Caddies, both physical and intellectual, are the curse of the age—and constitute a real menace.

## A value in hardships

VIEWED at close range there is nothing attractive about poverty, as many of us well know, but frequently the best thing that can happen to a young man is to be thrown on his own resources and to be forced to his greatest exertion.

Hardship can teach us lessons unknown to ease. What gave the great cedars of Lebanon the strength to withstand all enemies—the long tough roots and the unbreakable trunks and limbs? Nothing but the buffeting and scourging of the tempests of a century. Character is not made in a vacuum; character is what

we find has happened to us when we rebound properly from a hard situation.

Why am I emphasizing hardships and struggle? For only one purpose—I want to inspire the people to fight—I want to save the people from becoming parasites. Parasites do not fight, they crawl.

Let me quote from the address of Garibaldi to his Roman soldiers:

"Soldiers, what I have to offer you is fatigue, danger, struggle, and death; the chill of the cold night in the free air, and heat under the burning sun; no lodgings, no munitions, no provisions, but forced marches, dangerous watchposts and continual struggle with bayonets against batteries—those who love freedom and their country may follow me."

Did they slink away when they heard these words? Not they! They rushed to his standard.

I wish I could unfold a standard and incite the people to similar service—I should expect a similar response. I would see the people forswear ease and luxury and self-indulgence and enlist as did their great grandfathers and their fathers. No such cause as war and no such method are open today, but there is a cause—the cause of the race and the nation. No longer should we be classed as parasites, no longer listen to the call of enervating ease and listless indolence, but the virile challenge to hardship, endurance, initia-



CARTOONS BY CHARLES DUNN

tive, and independence; for only thus, I believe, can the nation grow.

A man's foes are they of his own household; beware of the parasitic microbe. For the first time in the history of any country the attempt is being made in our land to make parasites of a whole nation. Is it any wonder that share-the-wealth and \$200 a month and similar parasitic bait should be thrown recklessly before the susceptible voters? One might almost be tempted to ask, "when we all become parasites who are to be the hosts?" If it were predation instead of parasitism we might see re-enacted that stirring naval tragedy in which "Us must eat we."

### Politics and the dole

OF COURSE, in discussing such a subject we cannot ignore the history of Rome. At one time more than one-fifth of the population of Rome was on a dole—first a measure of corn, then the addition of a ration of oil, and finally a supply of bread was substituted. Later a gift of money took the place of food. Before the time of Trajan, never more than 225 denarii a person was given, but gradually this increased to sixfold this amount, always with a political purpose in view.

Without further details let us note the comprehensive and judicial analysis of the situation made by Harold Mattingly. He said:

"But, when all is said and done, ancient Rome stands to us as a warning rather than an example. We see how easily a system of doles, created to palliate unemployment, may strike permanent root into the state; how very precarious are the prospects of its direction towards wiser ends, and how it tends to confirm and exaggerate the evils which it is originally designed to correct."

One, at least, of the causes of the decline and fall of Rome was the decay of the old Roman stock; and the doles, which gave partial relief without teaching men to help themselves, must bear their share of blame for the disastrous issue. That concerned only one-fifth of the capital city, but what shall we say when a whole nation is invited to become parasitic? The predator looks upon unemployment as an unbearable affliction, the parasite views it as a coveted occupation.

In 1824, Thomas Jefferson said, "I think, myself, that we have more machinery of government than is necessary, too many parasites living on the labor of the industrious. I

believe it might be much simplified to the relief of those who maintain it."

What would the poor man have said today?

In July, 1936, the National Resources Committee reported that we have 175,000 federal, state, and local governing bodies—not individuals, but organizations—with much overlapping and confusing complications. In other words, the committee agrees with Jefferson that we should probably have better government by the expenditure of half the money, and this in view of the fact that 30 cents out of every dollar that everybody earns is spent for the upkeep of government. This is a most prolific source and cause of parasitism.

It is not easy to decide upon the proper emphasis when considering the relation between the individual and the state, but history seems to say that, when the supremacy of the state overshadows that of the individual, the civilization of which both are members begins to decline. Rome clearly shows that, and the underlying philosophy is apparent.

When the state concentrates sufficient power to assume responsibility and to regiment the actions of its citizens, then the citizen is bereft of responsibility, his initiative declines, the necessity of work lessens and parasitism is invited. The result is practically inevitable. Parasitism is the beginning of the end—and the end is not far distant.

The biological history of parasitism provides a further close analogy to the social parasite—we can see the operation and prognosticate the results, for they run fairly parallel. Let us note that the presence of para-

sites results in serious changes in the life of the host. This presence is generally injurious but seldom deadly.

The predator kills his victim to feed upon its flesh, but the parasite that kills his victim defeats his own end. He tries to live at the expense of his host and profit by all the advantages and privileges which this host enjoys. As a pauper he thrusts his unwelcome presence upon his unwilling provider, but is careful not to kill.

One can see in social parasitism, ever since the early days of Rome, the cold, calculating figuring of parasites or of their political seducers as to the amount of taxes the host can provide without drying up the source.

### The parasite grows fat

THE biological parasite is larger than his non-parasitic cousin—he waxes fat while his host grows thin. The sharing of nourishment with the parasite may retard or arrest the development of the host and make him less able to provide, but the parasite has first call upon all supplies and reserves. The host may go without, but the parasite never. He does not inquire about the source of supplies so long as his demands are met regularly.

Strange as it may seem, the host develops a tolerance for the parasite. Notwithstanding the forced sharing of food, in spite of forced changes in his way of living, recognizing a disorganization of comfort and even of health, and the fact that a pauper has fastened himself to an involuntary victim, the host gradually if grudgingly adapts himself to the new conditions and the unprecedented demands of an unbidden guest. It is upon such tolerance that the political bribers depend to make what purports to be a temporary call founded upon the demands of emergency, a permanent means of political power at public expense.

It is likely that the psychologist would designate parasitism as a form of flight. It is a flight from the hard work of independent existence to the luxurious idleness of dependence; from the active participation in the industry of the world to one of flabby inactivity; from the uncertainty of individual initiative and choice to the certainty of regimented but abundant nourishment. Like the lilies of the field, parasites toil not, neither do they spin; but they

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Doles which gave relief without teaching men to help themselves wrecked Rome

# If Every One Were Fingerprinted

BY FRED B. BARTON



If the good people get fingerprinted voluntarily, we can smoke out the other kind

PARDON ME, but have you been fingerprinted?

Don't go, please! I'm not a detective. I'm a civilian, a law-abiding, tax-paying, self-respecting individual like yourself.

But I was fingerprinted—voluntarily, of course—the other day. Now I'm wondering how long it will be before you and your family decide to have yourselves fingerprinted too.

It happened in Indianapolis. I had gone there at the request of a bank magazine editor to interview a banker who had ideas on preventing holdups and crime. We talked about the nation's crime bill, billions a year, and growing. This gentleman is mad all the way through.

So he had done a surprising thing. One evening after banking hours he had invited a special agent of the Department of Justice to talk to his employees. The G-man came. He made a little speech. He explained some things about fingerprints and showed how helpful it will be if the good people get fingerprinted voluntarily, so that in time we can smoke out the other kind.

Then every man and girl in that bank, from president down to night watchman, stepped up voluntarily and was fingerprinted. Twice, in fact; once for Indiana's own civilian fingerprint file which now numbers more than 5,000 persons, and once for the big central civilian identification file of more than 100,000 cards and records set up in Washington, D. C., by the Federal Bureau of Investigation under J. Edgar Hoover.

Some of the men in that bank had been fingerprinted

SOME of the reasons why authorities believe that proper registration of every citizen would soon pay for itself by reducing the present cost of crime and fraud in this country



Fingerprinting has become a dependable science with no possibility of duplication or error

when they enlisted in the World War. They had likewise given their fingerprints when they applied for their bonus bonds last spring. Some of the youngest men and girls had been fingerprinted, or rather footprinted, at birth by some hospital. But this was the first time that they had put themselves on the side of the law enforcement officers and sent their fingerprints voluntarily to a permanent file.

But they're doing that in a big way in Indiana. At the Indiana State Fair for two years, and at every county fair in Indiana this fall, the state police have a booth with a cheery sign "Fingerprints Recorded Free." They find the public curious but interested. Some are hesitant, some are suspicious, some are belligerent at what they regard a new intrusion of their liberties. But the thinking ones are grateful for an opportunity to have themselves registered, just in case anything ever goes wrong.

Don F. Stiver, 40-year-old superintendent of the

Indiana State Police, told me about this new idea of giving everyday people like you and me the same privileges of certain identification which hitherto have been available only to criminals.

### Identifying the lost

"DO you know," says Stiver, "that not tens or hundreds but thousands of people suffer amnesia or loss of memory each year? Do you know that 46,000 people are buried in nameless graves each year, costing the public from \$50 to \$150 each for their burial and incidentally costing their families a lifetime of worry and uncertainty as to whether Daddy is dead or has run off with another woman? Do you know that insurance frauds happen because sometimes it is impossible to determine whether the corpse on which the insurance company is asked to pay a death benefit is really that of the insured man, or not?

"Things happen, you know. For instance, on the night of January 9, 1936, an explosion occurred in the Fire Department at Pendleton, Ind. The building was practically demolished. Five persons were killed. Four of the dead were immediately identified as local citizens, but the fifth, a transient, had stopped in the city just the day before the explosion, had loafed around the Fire Department, and was unknown in the community.

"The morning after the explosion, his fingerprints were brought to the Indiana State Police Bureau of Identification, and sent to the Federal Bureau of Investigation at Washington. They were able to identify the man. He had been arrested a year before on a minor charge, and so his correct name and home address were recorded."

Of course, they're identifying dead people all the time, provided the deceased was forehanded enough, or unfortunate enough, if a criminal, to have his fingerprints taken beforehand.

"Not long ago there was an early morning bank robbery at Bloomingdale, Ind.," Stiver went on. "One bandit and the cashier were shot. We may never know exactly what happened, but they exchanged life for life.

"We sent the bandit's fingerprints to Washington. Then, because an answer from there sometimes takes three days, we searched the



COURTESY F. B. I.

Some general fingerprinting types. Patterns with whorls on which the classifications are based are on the right

dead man's pockets. We found a packet of paper matches from a cafe in East St. Louis. Knowing that the St. Louis Police Department operates a highly efficient fingerprint bureau we telephoned them and were able to identify this man, merely by giving them the description of his fingerprint classification. This was confirmed by mail.

"They gave us his name and his whole history. It seems he traveled with a gang of three others. The other three are known and are being watched for."

It is because the country is full of escaped criminals—and worse—that law enforcement officers are hoping some day to see universal fingerprinting. Then honest men can be set apart.

### Criminals are separated

J. EDGAR HOOVER reports that when applicants for civil service jobs were first fingerprinted back in 1929, one out of every 13 had some sort of a prison record. The percentage has improved, but in 1935 there were still 985 applicants with prison records.

In Cleveland, Hoover reports, out of 53 applicants for a chauffeur's job ten were criminals.

There are nearly a third of a million Civil Service employees in the government's fingerprint file, together with about 90,000 civilians and about 6,000,000 criminals of

this and other countries. Civilian fingerprints are kept separate from the criminal files. Every effort is made to assure the public that there is no connotation of wrong-doing in having your fingerprints filed at Washington. It is merely a measure of prevention.

In Akron, Ohio, the fingerprint bureau told me of a farmer who was killed on the road between Akron and Cleveland. A farmer never carries much in his pockets, and this man's were empty. The face had been run over by a truck. It seemed hopeless to try to identify him, but the police sent his fingerprints to Washington,

(Continued on page 84)



# Mail at \$220 a Pound

BY STANTON TIERNAN

SINCE 1872, when it was first issued, the catalog has been the greatest asset of the oldest mail order house in America.

For years this book was practically the only link to the outside world of many a farm and ranch owner. Stories are still told of customers in foreign countries, who, besides buying from this 740-page tome, frequently use the descriptions and illustrations in it for the purpose of having their furniture or other household equipment, and even their shoes and clothing, designed and made locally. It is only necessary to show a Chinese or a Mexican of the artisan class the picture of anything for him to be able to construct a duplicate of it to scale.

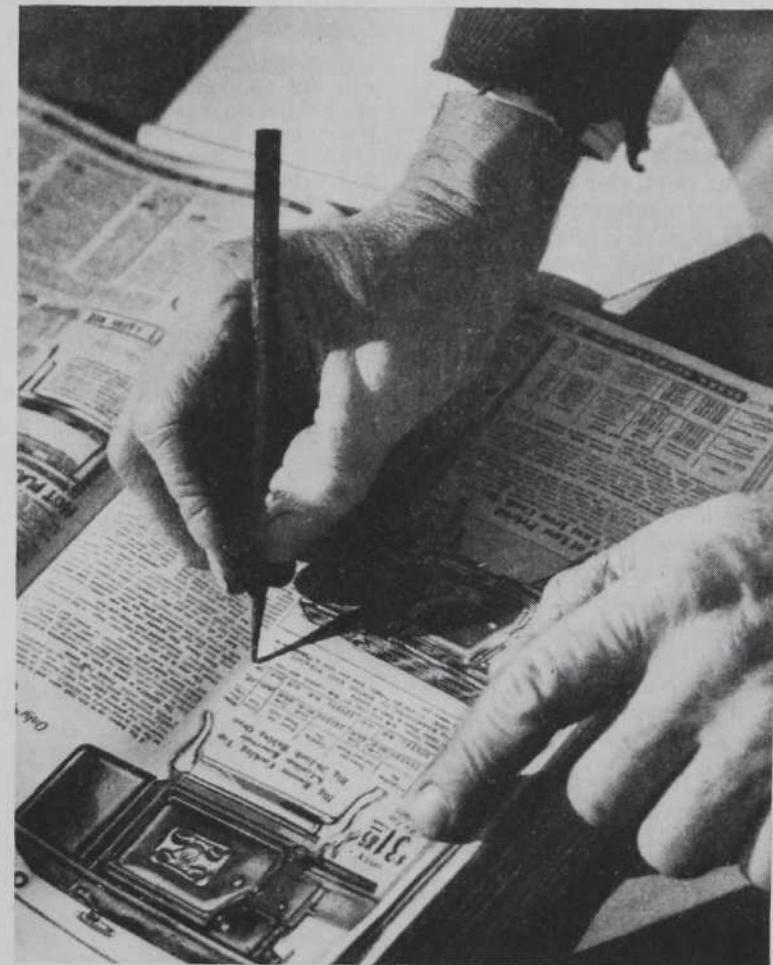
Twice each year—in January and July—this firm prints 6,000,000 copies of its regular catalog. In addition, separate booklets are issued for pianos, plumbing, chickens and their needs, hair goods including wigs, cane mill supplies, wheel chairs and tombstones—the last named, and always last wanted, articles are shipped direct from quarries to save money for the house and its customers.

It costs 75 cents a copy to print and issue the main catalog, but it is an axiom of the house that each dime spent on it brings in a dollar in sales.

The records bear this out. Each copy has an average of four readers and, from these 24,000,000 readers, will come 25,000 orders averaging \$4.00 each.

So closely will these figures be maintained, that it is also possible to count upon \$220 being enclosed in every pound of mail matter the house receives. It is even possible to predict that of this amount 50 per cent will be in money orders, 40 per cent in checks, and the remaining 10 per cent in cash.

It has been said that this is one place of employment where the workers have to be clock watchers, for 96 per cent of the orders are packed and shipped the day they are re-



RITTASE

**POETRY, puzzles, complaints and matrimonial propositions compete with orders to keep the job of operating a catalog house from becoming tedious**

ceived. About 70 per cent of the employees of the concern are women.

## Large stock is carried

A ONE TIME boast of this company was that it could build an entire house; furnish it all the way through; plant the flower and vegetable garden, and put the fence around the whole property. Modern conditions have somewhat modified the former complete stock carried but, except for a few minor accessories now supplied by the specialty dealers, practically all of this could still be done.

The largest single item sold by the

store is shoes. Automobile tires and lately bicycles run a close second. The most expensive dress for women in the establishment is priced at \$10.98.

The supply of ropes handled ranges from the lobster pot warp used by the fishermen along the New England Coast to the lariat of the western plainsman. In fact, for a number of years most of the lassos used by the cowboys, and their high horned saddles, too, came from this organization.

In the older catalogs can be found hats called the "Chief Moses," the "Broncho" and the equally wide-

spread "Bull of the Plains." Nowadays, these habiliments of the former Wild and Woolly West are listed only in the Boys' Department. Instead of chaparejos, the modern catalog lists the polo type of riding breeches, with peg top and slide fasteners, garments which would undoubtedly make the old time cow pony flee in terror.

### A puzzle in language

"WRITE us in any language," is one of the slogans of the house. Despite this, a letter but lately received has stumped all of the linguists of the organization so far. Part of it at least seems to be in English, but what does it mean?

Here is the way it begins:

I am rest u be he deress I come u ben  
not see to me I done bust the cotton  
did not he host see he I did he did see  
5 dress do no bo to us all see me.

There are two pages of this rigmarole, followed later by a second cryptogram of similar character and composition from the same person. Not a single word of either gives the slightest clue to the meaning.

A different type of puzzling communication was also received only recently. This is evidently a bid to buy the company, clearly enough expressed and neatly typewritten, yet, what exactly can the writer have in mind?

It reads:

Dear Sirs: Please tell me will you all sell the Company, if so tell me how much money, but it may be a little time before I'll buy it, if you all will sell the Company to me. Yours truly,

The proportion of letters that cannot eventually be translated or deciphered by the experts in this mail order house is, however, very small.

The firm does beg that one please always write his name and address the same way. Also it asks that, when possible, the same member of the family always do the ordering. Above all they plead the avoidance of such modes of signature as "Fred's Mother." The necessity for this is evident when it is shown that the Baltimore branch alone—established in 1925—already has more than 1,700,000 customers on its records, and thousands of inactive accounts. Any one not sending in an order for three years is placed on the inactive list.

Naturally, with such an immense volume of business, occasional mixups arise.

There is the oft-quoted epistle of the irate Italian. It runs somewhat like this:

Why for you no send de handle to de pump? How de Hell we gonna work de pump without de handle? P. S. My wife, she just found de dam handle in de bottom of the box. Good-bye.

To be scrupulously accurate, this classic is not on file in Baltimore, although tradition says it was received at the Chicago office. So typical is it, however, of the hundreds of peculiar letters that do come in, that it is worthy of mention.

Here, for instance, is a letter actually on file. It bears a rural Tennessee post mark.

Dere Sirs: Ples let me know if you still sell embalming fluid. It is in your old catalogue, but not in the new ones. If you have it, send enough for my husband, who is five foot eleven inches tall and weis 165 pounds when in good helth. He has been lyeing eround the house looking mighty peaked the last few months and I expect him to kick off any time now. He liked to have went last night. When you send the extrack, send full directions with it. Must I pour it down his throat just before he dies, or must I rub it over him after he is dead?

The next oddity is from Alabama.

Dear Sirs: I have been your customer for a long time, your stuff has come to me plenty. I started to trade with you when my first husban live. he is ded many years. now i am marrid to number 6 husban. All my husbands like your goods an always by your goods. this husban name john. an he will not by stuff if you not giv weding presents.



any good, if so, please mention humane dose for her.

The popularity of Hill Billy programs on the radio, in the past few years, has created a big demand for jew's-harps, harmonicas, accordions and guitars, particularly along the western North Carolina-eastern Tennessee musical front. Throughout this section, judging by the number of home study books which have been sold at a reduced price to every purchaser of a musical instrument, the Smoky Mountains must be reverberating with recitals of the "Death of Floyd Collins," "The Wreck of Old 97," the ballad of "The Little Log House of My Dreams," "She'll be Coming Round the Mountain," and "The Governor's Pardon." More than 800,000 students, all told, from different parts of the world, have enrolled in the musical course issued by this firm.

"Of course the stories of men writing in to you for wives are mere fiction," a customer remarked to a member of the staff not long ago.

"Indeed they are not," was the reply. "We have had scores of such petitions. Not for us to crate up and send along a bride exactly, but to ask if we would not put the writer in touch with some matrimonial agency, or with some individual who could help him to find a wife."

"What did constitute a unique variation of this theme, however, was when one of our department managers, after some little business correspondence with a woman customer in Georgia, received a proposal of marriage from her to himself. While no longer very young, 41, she admitted, she was in good health, so she asserted, and the possessor of about 30 acres of land and a mule, by means of which she was sure that she and the man who wrote such nice polite letters could make a 'go' of it."

### Children wanted

"ALSO we have had several inquiries from persons who wish to adopt children. Here, for instance, is an appeal received not long ago:"

Can you get me a little boy from Baltimore about five or six years old, with dark hair for company. I am white lady and want a white boy. Give it in ritens [writings] so no one can take him away from me. I own my own home and can take good care of him.

During Prohibition, a customer, strange to say from Kentucky, reputed land of moonshine, wrote in:

Referring to your rubbing alcohol compound, advertised on page 498, i get you. Send 8 pint bottles of this at once, so as to reach me before Christmas. Wish you was near enough yourself to be here so as to have some egg nog with us.

It was deemed safer not to fill that  
(Continued on page 92)

what are you and your wife going to do about it. will you give weding present. We want for present double bed no 666-A golden oak, in your catalogue. I got mattress and bedding. Also want one anti-cow kicker, one hard mouth bit extra large size for a mean mule, one 10 inch cross-cut saw file. i am honest an work hard ples send presents and we will send big order soon.

An inquiry from a man in Delaware regarding chicken perfume gave only momentary pause. The Baltimore office realized that hen house disinfectant was wanted. But another inquiry directed to the chicken department required more diplomacy to answer. It ran as follows:

Dear Sirs: I have been feeding your poultry tonic to my hens with good results for years. Lately, my wife has had no appetite, would this medicine do her

# Where Business Rules Itself

BY MARVIN J. SCHULENBURG

THE story of Clearing, Ill., where industry is king of its own domain, makes its own laws and works out its own problems and, being thus left to itself, sets continually higher records

JUST outside Chicago, industry has built its own town!

It has stalked off by itself, acquired a privately owned city, decided to forget all about decentralization and, free from all outside disturbances, proceeded to make of its "City of Industry" exactly what it would.

Known as the Clearing Industrial District, this city, covering 3,000 acres, has not a single inhabitant except industry.

On old maps of Chicago, 12 miles off to the southwest from the Loop, may be seen a railroad track built in a circle around the inside of a square mile. Empire builder A. B. Stickney and associates began buying property in 1887, bought some 4,000 acres in all, the purpose being to create a railroad terminal and an industrial center. Stickney realized then that the interchange of freight cars between railroads was a growing problem in Chicago. His group also knew that their site must be outside the city where taxation could not eat away the economical advantages of the railroad clearing yard.

The Stickney group planned to lay out the 4,000 acres with tracks, yards and industrial sites in such a way as to facilitate the interchange of freight.

The fact that a township and a village were named for Stickney indicates that work began in fine shape. But the idea did not work and, with the panic of '93, the land went back to nature. For five years the 4,000

Forming the Chicago Transfer and Clearing Company (which name stuck until 1933), the Porter faction went to work with a definite purpose in mind. They laid out a car sorting yard, employing the hump principle for the first time in large scale operations and invited the railroads to



CHICAGO ARCHITECTURAL PHOTOGRAPHING CO.

Home of one of the residents of Clearing. Most of the plants are one story and all have ground room for expansion. Flexibility is the keynote in building

acres lay idle. But, by calling it his clearing yard, Stickney gave the name "Clearing" to the industrial district which was to be its ultimate successor.

## Combined to start the district

IN 1897 H. H. Porter, chairman of the Chicago and Eastern Illinois Railroad Company, combined a banker's caution with broad imagination and picked up the loose ends. Helping him were some competent financiers. Ogden Mills, Sr., whose son was later to become Secretary of the Treasury under Hoover, and the English banking firm of Benson and Company combined with President Porter to control all but 15 per cent of the stock. The Chicago families of Armour, Field and Swift held the remaining portion.

come and use it, for a price. That was in 1901.

The Clearing Yards were then and are now the world's largest hump yards. Trains brought in are uncoupled from their locomotives and pushed up an incline by smaller engines, humped over the summit, and then rolled down the corresponding slope under their own momentum to the switchtrack assigned to the road which will next carry them. All this is operated by electrically controlled switches in a head house at the hump.

Although the yard was close to a number of trunk freight yards, the railroads for a long time looked with a severely jaundiced eye on the invitation. Industry, however, began to see possibilities in the vast expanse of land with its good transportation, easy expansion and low prices. So,

finally, in 1909, the area which now constitutes one of the nation's richest industrial plots was opened to development.

The first plant to move in, in 1909, was the Corn Products Refining Company, producing starches, dextrines and corn syrup under brand names.

Then occurred an event which assured the success of the venture. In 1912 the Belt Railway of Chicago was organized. The new company purchased the hump and yards built by Porter.

The District was on its way. This freight yard insured one or more individual switch tracks for every plant moving into the area. Now, only five minutes removed from the world's greatest freight yard, Clear-

ing freight cars are en route sometimes as much as 48 hours before those coming out of Chicago.

The Belt Railway is always setting records. In 1929, the peak year, the 13 roads owning it handled 8,800 cars a day for one entire month. More than 50,000 carloads of freight a year originate or terminate in the Clearing industries while more than 1,750,000 cars annually pass through the freight yard.

The less-than-carload plan helps, too. If one Clearing plant is unable to fill a car, 111 other plants now stand ready to use the vacant space.

After selling the 1,200 acres to the railroads in 1912, the Porter-Mills-Swift-Armour-Field-Benson group found itself with \$4,800,000 and 3,000

acres left to dispose of. The money was immediately spent for sewers, pavement, water and gas mains, spread out over 500 acres, the territory which comprises the present developed section of the Clearing Industrial District.

But the biggest and most significant reasons for the District's almost immediate success are not such tangible matters as sewers and streets.

Lying contiguous to the city limits for three miles, the area is, however, outside of Chicago, though in Cook County and Stickney Township. State, county, and township taxes are paid, but no Chicago taxes are required. The district has the same political status as farm land.

At any time the 112 citizens desire, Clearing can vote itself into Chicago. Street car lines parallel this plot, bringing a skilled and unskilled employee market of more than 1,000,000 within easy reach. Mail, telephone and all other wire services are there. Sewers and streets are privately owned. Plants buy their power from the Public Service Company of Illinois. The water mains are brought into the district by Clearing, Inc.

And, for the executives' transportation, there is the Chicago municipal airport within one-eighth of a mile.

The Clearing Industrial District, Inc., is a land owning corporation. It builds, leases and sells factory sites and buildings. In some cases it is a landlord or banker but eventually, when all of the land has been disposed of (probably in 50 years), the streets will be turned over to the Clearing Industrial Association.

### Controlled by business

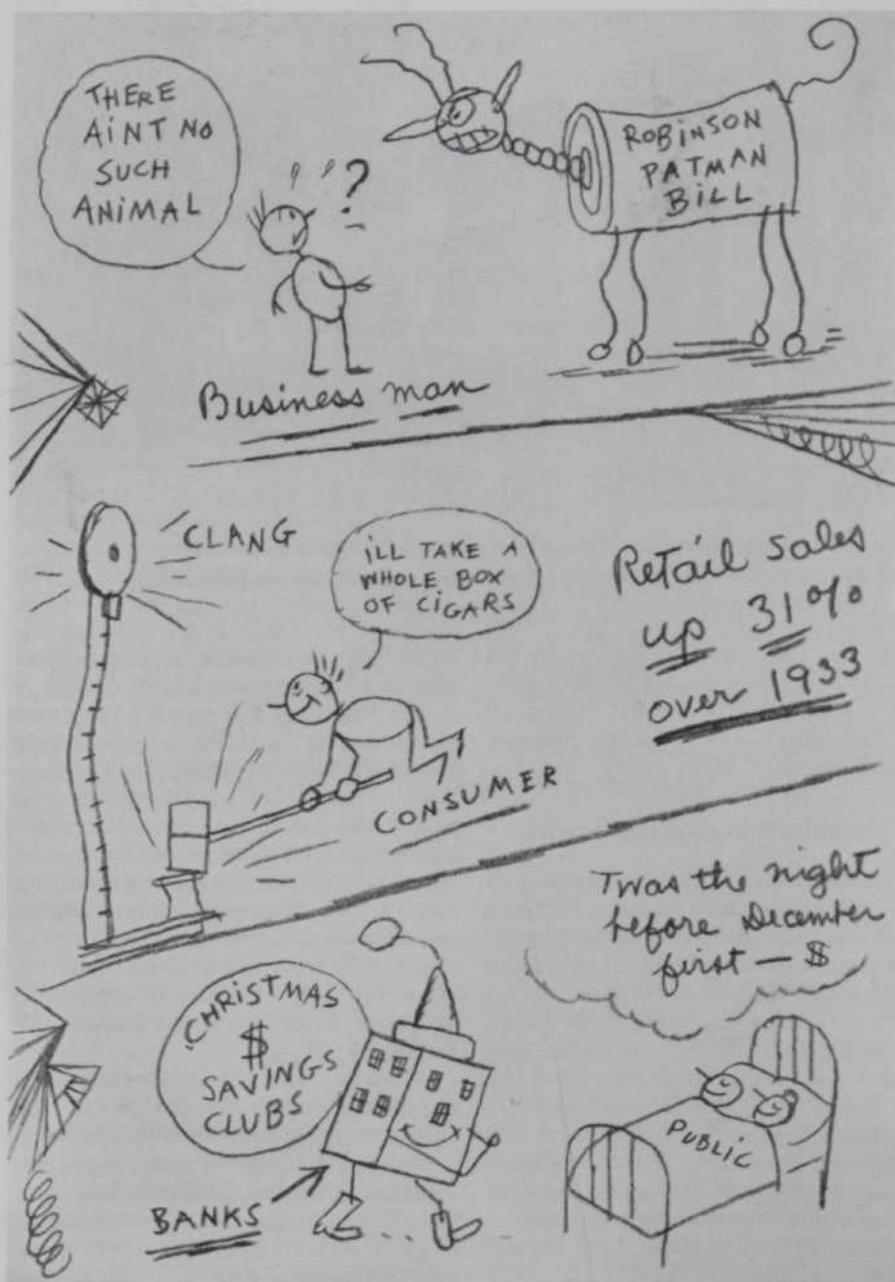
THE Association is comprised of the district plant executives. This group has virtually complete control of all activity inside the District. It has its police department, reporting directly to the executive group, its own clubhouse and dining room, across the street from the District because this building has guest rooms and no one may live in Clearing proper.

Always the incoming industrialist has the choice of buying or leasing a building and site. To date, 90 per cent of the buildings have been built by the District and sold or leased to the client. Currently three-quarters of the plants are owned by the occupants. Interesting to note is the fact that when Clearing started in business the trend was toward buying outright, then incoming industries leaned toward leasing and now once more the trend is toward buying.

Another strange fact about Clearing is that when business conditions

(Continued on page 72)

## From a Business Man's Scratch Pad . . . No. 8



## Crippling the healers

BANKRUPTCY of hospitals dependent on private philanthropy is in part a consequence of the severity of estate taxes imposed ostensibly to sweat the rich. How the reduction and revocation of bequests by would-be donors has reacted against the beneficiaries of the institutions is suggested by Dr. Frank Adair of Memorial Hospital, New York, in his address to the Clinical Congress of the American College of Surgeons.

Taking thought of codicils canceling or cutting intended grants to hospitals, he said "more such codicils have actually been attached to wills during the last five years than have been added in the previous 50 years." Of the effects on income, he gave it as his opinion that "anything having to do with the stability of hospital income has both a direct and indirect influence on the work of the surgeon. . . . Examine for yourself the professional demoralization that took place in any one of the bankrupt hospitals before it closed its doors."

It is true that public expenditures have helped to give life and meaning to the humanitarian instincts of the people. It is none the less true that the generous contributions of private philanthropy have provided their own distinctive nourishment to America's progress in the art of healing. One endowment alone does not necessarily make the case, yet the accomplishments of the Rockefeller Institute reveal how useful is adequate finance in waging a war on disease.

Hospitals have performed prodigies of resourcefulness in caring for the indigent sick in a time which has put "a tremendous overload" on individual and institutional budgets. Why the long arm of taxation should reach out to impair, in effect, the service of hospitals when it is needed most is a riddle defining a collision of public interest amounting to a political paradox.

## Grindstones for future noses

IT IS a fashion of the times to turn Farragut's bristling admonition at Mobile Bay to political account. "Blast the taxes," say the spenders, "go ahead!"

Their sauce for Americans who think they are tax ridden, is "look at England." Light for statistical as well as sentimental comparison is provided by Lewis H. Kimmel in the October bulletin of the National Industrial Conference Board.

Total taxes collected in the United States in 1934-35 were more than twice the amount collected in the United Kingdom (England, Scotland, Wales and Ireland)—\$9,650,000,000

# CHIPS... from the Editor's Work Bench

against \$4,674,000,000. As for the burden on individual backs, it was less in America when weighed either by population or by national income. On a *per capita* basis, the figures are \$75 for the United States, \$92 for the United Kingdom. On the basis of national income, the respective findings are 18 per cent and 23.6 per cent.

Revealing as Mr. Kimmel's spade work is, it does not go deep enough. A complete fiscal picture would require exploration of public spending in relation to current tax income. What has come to view through Mr. Kimmel's diligence defines a premise rather than a conclusion. Assuming that if this country had paid as it went, instead of taking a lien on the future, though it spent as it did, another calculator reports that it would have been putting out about 26 per cent of the national income in taxes. By this reckoning *per capita* debt would have been \$109 in place of the \$75 disclosed by Mr. Kimmel.

Easing a present burden on backs now in harness by shifting it to phantom backs of future generations is now high finance amounting almost to transcendentalism. It all seems a long way from the concern of John Adams to make life easy for posterity. To his wife, he wrote:

"Posterity! You will never know how much it cost the present generation to preserve your freedom! I hope you will make good use of it. If you do not, I shall repent in Heaven that I ever took half the pains to preserve it."

In those simple days governments did not know so much about interest-bearing bondage.

## New settlers wanted

ONE of the most businesslike things about business is that it advances

while it serves. How much the device of instalment selling has been usefully refined is suggestively measured in the spread of home ownership and life insurance, the commonplaceness of radio, refrigeration, motor cars, and electrical appliances. That consumer credit is one of the main bulwarks of mass distribution, few will contest.

Purchase convenience, as everyone sees, is a primary requisite for large-scale outlets. A family's food requirements for a year, it can be argued, are bought and consumed piecemeal, and therefore do not conform to the basic idea of instalment purchase, which is usually financed on a long term basis. It is in the field where the usefulness of the product or commodity carries far beyond the finance period that the convenience of deferred payment becomes vividly apparent.

So highly specialized is the provision of mass credit that it has developed a technique all its own. To Allen O. Dietz, president of the Commercial Investment Trust, this new trade facility is "sales financing," and it defines "our new business frontier." Through Mr. Dietz's glasses:

"It is anticipated that business expansion over the coming years will, in the broader sense, center around the field of consumer credit. The mass market is there—the one to which modern business and enterprise now looks. The task of business and industrial endeavor, the direction of our further economic progress as a nation, lies not in storing up capital wealth, *per se*, but in increasing wealth-in-use and in enlarging the spread of that wealth-in-use."

Alexander the Great, the story goes, broke down and cried when he was told there were an infinite number of other worlds which would always mock his ambition. What business would like to know is how many of them are inhabited, and whether they are live prospects for a new standard of living.

## Bankers turn on more light

NOT all the new frontiers lie ahead of the outposts of science. Business, too, is ever asking whether the old practice is the best practice. Bankers, for example, to quote a detached observer, "are educating themselves as never before." From within, as much as from without, banking has received the impelling stimulus of revising thought. How seriously bankers take their jobs is epitomized by Stuart P. Meech, associate professor of finance, the University of Chicago, in a public lecture beginning a series of faculty talks on new business trends.

While recent banking legislation has its serious omissions and its re-

pairs to the structure are superficial and contradictory in some relationships, the banking fraternity itself is building for the future by laying new groundwork for creating a safe yet actively functioning commercial banking system. As evidence of the intensive exploration of the complexities, he lists the growing enrollment of the American Institute of Banking, the widening scope of the courses offered, and the attendance of bank executives at institutes such as the Graduate School of Banking at Rutgers.

What Professor Meech told his hearers in Fullerton Hall has a significance basic enough to invite its amplification far beyond the locale of his immediate audience. For it is a useful service to the public as well as to the profession when a representative group such as the American Bankers Association commits itself to engage in research of a fundamental character to discover standards, reveal the facts of banking, and to give definition into law and regulation.

### Science and nature

HOW trade follows science is currently illustrated in the production

of henequen fiber in Java and Sumatra. Once ranked second only to silver in Mexico's exports, the henequen produced in Yucatan must now compete with the cultivation in the Far East, which contributed 200,000 tons last year. Henequen is something of a tourist. Spaniards transplanted it from Mexico to the Philippines. From the islands the Dutch carried it to Java. Englishmen took it from Java to Sumatra.

Reason for the new competition is clear enough in the efforts to adapt the plant to foreign soils. Bountiful as nature is, she has a way of lavishing her gifts where harvest is difficult and with imperfection the rule rather than the exception.

But once the laboratory comes to grips with problems of soil and climate, monopoly of a product in the land of its nativity is in a fair way to be ended.

Quinine, though still known as "Peruvian bark," is now intensively cultivated in India and the Dutch East Indies. Rich as the South American forests were in the valuable cinchona bark, the scattered trees were hard to care for. British and Dutch saw to it that their own plantings were compact and accessible. So with

rubber. Brazil's proud eminence is a glory of the past, as the volume shipments from Africa and the East Indies currently testify. And so, perhaps, with American cotton.

Nature, it could be argued from the accumulating evidence, is not averse to new habitats prepared at the behests of national policies and industrial opportunism.

### Taxes turned against trade

HANKERING of government to enter the field of private business with tax funds it has collected from the people is well exemplified by a situation in Chile. From the Central Chamber of Commerce come report and protest.

It all began when the Caja del Seguro Obligatorio was established by the Government to receive the funds arising from compulsory insurance of workers.

Recently it undertook to invest a part of its funds in a calcium carbide factory, despite the fact that a private firm had built a carbide factory capable of supplying the total needs of the country.

Offers had previously been made by the Caja to make loans to the private enterprise or to induce the private interests to share the business with the Caja. These offers were rejected. The private company sought authority to bring in the machinery for its new plant free of duties. This request was denied. The Caja has continued its plans to build a new carbide plant and in turn asked the Treasury Department to relieve it of the necessity of paying customs duties on the material to be imported for the new plant.

Recently the owners of buses operating in Valparaiso and Vina del Mar sought from the Caja a loan of Pesos 3,000 (\$120) for each bus to cover expenditures necessary to place them in good order. The Caja was not able to grant this request but undertook to import directly from the United States 340 tires and tubes which are being sold to the bus owners with special facilities for payment. In this way, the Caja has again invaded the field of private enterprise in an effort to make a profitable use of the large funds now credited to its account.

The Chamber of Commerce points out that the Caja has already invaded other fields of private enterprise by engaging in the manufacture of chemical and pharmaceutical products, sacks and shoes, as well as carrying on a monopoly of the buying and selling of milk in Santiago. These activities only lead the list which extends even to the operation of funeral units.

## BELLRINGERS



## Prospecting de Luxe

ERNEST A. MOROSS of Mosherville, Mich., and R. B. Dennis of Cleveland, believe that the world is long overdue for a major strike of gold or some other metal. They believe that they have as good a chance as anybody to make this strike. At least they are going to try.

But they will not start into the field as did the old sourdough prospector who loaded a pick and pan onto a burro and headed into the hills. Moross and Dennis will make their trip in a specially built truck complete with assay furnace, diamond drills, scales, acids and every modern instrument necessary to discover the worth of the ores they may

find. After their day's labors they will return to a trailer where shower baths, toilet facilities and mechanical refrigeration will be waiting for them. When they decide to move their camp the truck's special hill climbing gears and air brakes will mock the roughest desert trails. Large storage spaces assure them sufficient food and water for long periods away from civilization.

With this outfit they are planning to explore several western states where previous mineral deposits have been found. Many persons who own land in the West have granted them permission to prospect their holdings.

# They Taught Us to Save

BY RICHARD L. HOBART



"I don't see why you can't put just a little money into them stocks. Then we could sell the Emporium"

CHARLES DUNN

JERRY RAMSEY, owner of Ramsey's New York Emporium, was Smithland's only retailer of food, clothing, farm implements, notions, harness and sundries. If some of the stock antedated the Spanish-American war—perhaps even the Johnstown Flood—it was hardly the proprietor's fault that customers failed to appreciate the selection of articles for sale. Of course the original prices still remained on the merchandise, and if prospective customers did not know the merits of an imported Sheffield straight razor it certainly could not be that Jerry Ramsey was to blame.

Once upon a time a Sheffield straightedge razor was a hot number.

Mrs. Ramsey entered the Emporium and her husband recognized the look of excitement on her face. He peered at her over his steel-rimmed glasses, took the mail she held out to him.

"Boy or girl?" he asked.  
She sniffed.

"Don't know; I ain't been over to the Swazey's yet. I'm talkin' about them city folks that took Judge Cobb's place for the summer. Hardwick's their name. They say down to the post office he won \$20,000 yesterday on the stock market."

Her husband blinked.

## Too many bills to pay

THEN he sighed hopelessly. His eyes went over to the corner where an Arbuckle coffee box served as a desk. On it, he knew, was a thumb-blackened ledger listing accounts which would never be collected. On a nail driven into a board was a thick sheaf of bills, most of them having "Please Remit" written on them. The entire stock of the Emporium would hardly balance the total figures of those statements and the loan at the bank.

"I don't see," his wife was saying, acid in her tone, "why you can't put just a little money into them stock things. Mr. Hardwick ain't got all the

LOOKING behind the personal benefits of thrift to consider some of the social benefits that saving makes possible

brains in the world. Maybe if you called on him he'd tell you how to do it. Then, with some extra money maybe we could go to—to Califoney to live. We—we could sell the Emporium, and—"

Her husband shook his head.

"I can't, Mom," he said listlessly. "I got so many things to pay, insurance and all." He slit open one of the envelopes and took out a paper. He read it slowly, looked at her with a dazed expression.

"What is it, Jerry?" Mrs. Ramsey asked hurriedly, alarm on her face. She stepped close to him.

"They're institutin' bankruptcy proceedin's against me, Mom," he said slowly. He stuffed the other envelope into the pocket of his threadbare Alpaca coat. Then:

"It—it means we lose the—the store."

"We lose—the store!" his wife echoed miserably. "What'll we do now?"

Jerry Ramsey, soon to be an ex-merchant of Smithland, slowly shook his head. Indeed, what could he do now?

His wife was a little bitter when she again broke the silence.

"If we'd just invested a few hundred dollars in them stocks—"

The Ramsey supper that night in the combination kitchen and dining room was a silent affair. Neither Jerry nor his wife was very hungry.

Jerry walked slowly to his coat, fumbled for the cheap cigar which was his sole enjoyment after the day's work. He heard the crackle of paper. It was the letter he had put there earlier in the day, forgotten in the misery of that notice of involuntary bankruptcy proceedings.

He pulled out the envelope, saw it was from the Security National Insurance Company. Another premium notice. He shook his head. Even that must go now. But there was something a bit different about this envelop-

ope. It had an official appearance to it. Jerry frowned.

He opened it. Inside was a letter from the president of the insurance company. To the letterhead was attached a beautifully lithographed check for \$100. He read aloud:

Dear Mr. Ramsey:

I am happy to congratulate you upon the completion of your Life Insurance Annuity contract which you entered into with us on November 25, 1896.

This letter and check should reach you within a week after your sixty-fifth birthday. I know you are proud of your business acumen in taking out this plan when you were young; now you will receive the benefit of the monthly savings made during the past 40 years.

If our Company can aid you in any way, I personally hope you will write to us and explain how we may be of service.

These checks will reach you promptly the first of every month for the rest of your life. Please advise the Company should there be any change in your address, and we—

Jerry Ramsey, eyes strangely shining, said:

"Mom, I guess we'd better tell him there'll be a change in the address!"

All his wife could say was a breathless:

"Californey!"

And just before they caught a train for the west three weeks later they read how the stock market crash had taken thousands to ruin, including Mr. Hardwick who lived in Judge Cobb's house.

A good many years ago the insurance companies of the United States inaugurated their educational programs to make Americans conscious of the monthly income feature of protection. They knew there was no way for the policyholder to "lose." His family had protection if he died. If he lived to the pre-determined retirement age, he and his family still had protection in the way of regular monthly payments. These payments were forthcoming each month during the life of the insured.

### Payable as an annuity

OPTIONAL plans were available to protect the wife of the insured even after the death of the policyholder.

Parenthetically, this does not necessarily mean what we know today as "Annuities." Any insurance contract calling for payment in a lump sum may be paid in monthly installments over a period of months or years at the option of the beneficiary or the insured. Although the annuity contract is extremely popular at present, annuity contracts are relatively a small portion of the aggregate life insurance in force. Providing life insurance protection is and always has been the major activity of life insurance companies. The

life insurance companies, however, are doing a great economic service in selling people the idea of monthly payments rather than settlement in a lump sum. Obviously, this is to the benefit of the beneficiary.

Thrift—old age security—has become the main theme rather than "death" insurance. The idea, started years ago, has grown and multiplied a thousand-fold.

Here are some results:

As of December 31, 1935, the total admitted assets of all United States insurance companies were \$23,200,000,000!

In 1906, the 49 leading legal reserve life insurance companies had contracts in force totalling only a little more than \$14,000,000,000.

As of December 31, 1935, this amount had increased to more than \$101,000,000,000.

The increase in the assets of the life insurance companies between 1906 and 1935 has been due to the

additional obligations which the companies have assumed with the increase of life insurance in force and the annuity contracts. These assets represent, in the main, the reserves which the companies are required to keep on hand to meet their future obligations. In addition to their reserves, the companies maintain surplus funds to meet unanticipated contingencies.

### A record of growth

BETTER to bring out the growth of thrift it might be well also to look at the 1906 figures of money invested by these United States life insurance companies and compare them with the 1935 totals. For in their difference lies the story of thrift, how the men and women of America have seen their chance to save, provide estates, safeguard loved ones and, more recently, secure their old age.

The figures are enlightening:

	December 31, 1906	December 31, 1935
Farm mortgages	\$ 268,658,000	\$ 927,000,000
Other mortgages	551,864,000	3,914,000,000
U. S. Government bonds	2,900,000	2,502,000,000
State, County & Municipal bonds	103,789,000	1,179,000,000
Canadian Government bonds	22,214,000	466,000,000
Foreign Government bonds	64,997,000	14,000,000
Public Utility bonds and stocks	134,056,000	2,212,000,000
Other bonds and stocks	107,777,000	793,000,000
Policy loans and premium notes	254,815,000	3,221,000,000
Real estate	156,442,000	1,905,000,000
Collateral loans	51,678,000	6,000,000
Cash	65,040,000	750,000,000
Other admitted assets	90,529,000	531,000,000

(Continued on page 46)



Inside was a letter from the president of the insurance company and a check for \$100

# Burroughs

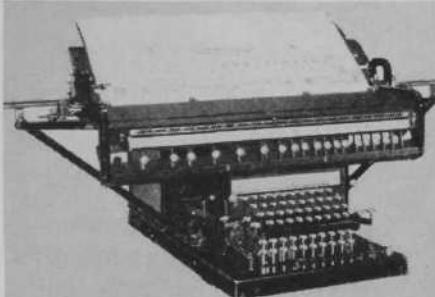
## PLAN YOUR PAYROLL ACCOUNTING NOW

*to obtain the information required by the*

### SOCIAL SECURITY ACT

Many employers are finding in recent Burroughs developments a simple solution to accounting problems set up by the Federal Social Security Act. Many have found that the exceptional speed, ease and economy of new Burroughs machines make it possible actually to lower accounting costs and still have the additional information required.

Investigate. Let a Burroughs representative assist you in meeting your payroll problems now, so that you will be prepared to furnish the information required by the Act when it becomes effective the first of the year.



**BURROUGHS TYPEWRITER  
ACCOUNTING MACHINE**

Writes check (or pay envelope), earnings record, employee's statement and payroll summary in one operation. Column selection automatically controlled. All totals accumulated. Models to handle every accounting job.

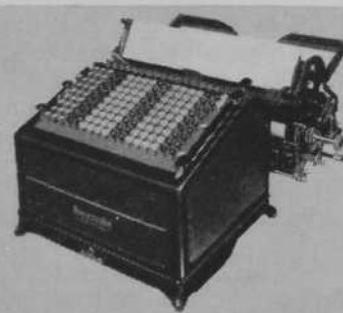
#### THIS NEW FOLDER MAY HELP YOU

Burroughs has just produced an interesting descriptive folder illustrating complete payroll accounting methods, with typical forms for maintaining the information required by the Social Security Act. The forms show representative entries and suitable column headings. You may have this folder without charge simply by mailing the coupon.



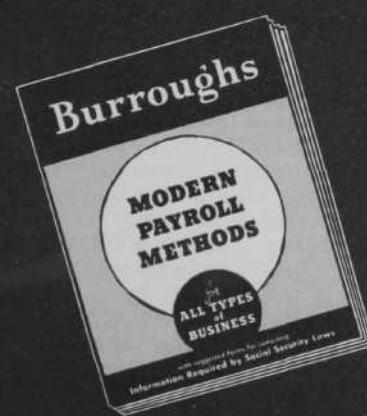
**BURROUGHS DESK  
BOOKKEEPING MACHINE**

Posts earnings records, automatically prints dates in proper columns, automatically subtracts deductions—calculates net pay. Can also be used as a fast adding-subtracting machine for all kinds of accounting work. Low prices.



**BURROUGHS AUTOMATIC  
PAYROLL MACHINE**

Writes check (or pay envelope), employee's earnings statement, earnings record and payroll summary in one operation. Accumulates all necessary totals. Many models for payroll work as well as for other accounting jobs.



**MAIL THIS COUPON!**



**BURROUGHS CHECK-WRITING  
TYPEWRITER**

Writes payroll checks in units or in strips. Payroll summary completed in same operation. Fast and easy insertion and removal of checks. Can also be used for correspondence and general typing. Electric carriage operation.

BURROUGHS ADDING MACHINE COMPANY, 6122 Second Boulevard, Detroit, Michigan

Send me the new folder, "Modern Payroll Methods"—which includes illustrations of forms for compiling figures required by the Federal Social Security Act.

Name \_\_\_\_\_ Type of business \_\_\_\_\_

Address \_\_\_\_\_

Those figures mean this—

In every section, rich and poor, laborer and merchant, aristocrat and those of the great middle class, bank-president and "white collar" worker, all have contributed their pennies and dollars toward one end:

Thrift!

But suppose we take a further step. Jerry Ramsey's few dollars, raked and scraped together through the years at a sacrifice of comfort and pleasure, helped to buy government bonds, public utility stocks, state and county bonds which aided in the march of empire.

And, to the individuals, the life in-

surance companies have lent great sums of money on real estate mortgages, thus making possible the ownership of homes and farms. This has released money for the speculative type of investment. It has meant extra funds for manufacturing, and the progress of science and invention.

Jerry Ramsey, taught to save by men of vision who were scrupulously careful of their stewardship of money which dribbled in to them in pennies and dollars, in a great measure built this land we call America. For the insurance companies have helped immeasurably in the progress we call advancement. They have invest-

ed well toward making empires.

Jerry Ramsey didn't know that his dollars were coming back to him. He invested his small savings in life insurance.

The life insurance company in turn reinvested this money in state bonds which made it possible for Jerry's own state to lay down a magnificent cement highway directly in front of the New York Emporium.

He never thought of that. Few really do think of it in that way. Jerry Ramsey didn't realize that, when he went to market on a buying trip, he rode a train made possible by life insurance investments. He marveled when electricity was made available to him at a ridiculously low price. But life insurance money accomplished that magic.

Our lives are irrevocably bound around with money. We invest in this, that, or the other, and find—should we analyze closely—that our investment is back in our midst again.

Insurance statistics reveal there are hundreds of thousands in this nation whose one goal is financial security. They are putting aside their pennies and their dollars in annuities, knowing all the while their small sums will be amply and intelligently safeguarded until the time for repayment arrives.

### Invested in the country

AND, during the years of waiting, the money paid in has been invested in those things which build a country. The borders of empire have been rolled farther toward the horizon as new homes are added to cities, as the United States and Canada, individual states, cities and counties better their living conditions with new roads, schools, utilities and public improvements.

The individual policyholder, prone to think individually rather than collectively, doesn't realize that this, in part, has been accomplished with his money. But it is so.

So long as he receives his annuity on the first of each month he is satisfied. He has made this come to pass through his thrift and self-denial. He cannot be bothered with the romance behind it all.

We have all bought thrift this past decade or two. The life insurance companies have sold it to us, made us want to buy it, and all of us have gloried in the ownership. And as the insurance companies have taught us thrift they have invested that money of which they are stewards—our money—in America.

This same money, in endless chain fashion, has returned to us in newer comforts, better living conditions, and a happier life.

## BELLRINGERS



## New Style for Sign Makers

IN THE heart of downtown Cleveland, The Glidden Company has erected a new type of outdoor sign said to be unique in the history of the outdoor sign industry.

The display breaks away entirely from the traditional accent on the horizontal line of outdoor structures and replaces it with the vertical type.

On either side of the tower carrying the message "Glidden" are sets of louvred wings in the colors of the spectrum.

The raised block letters on a cream background have blue sides with aluminum faces on which are outlined double rows of gold neon tubing.

The use of gold neon is a new

note in outdoor sign technique.

The height of the display, including the foundation, is 108 feet. The "type size" of the letters are four feet for the letters in "Glidden," and three feet in "Paints."

The display presents a two-way visibility to an estimated quarter million of passersby daily.

From a statistical viewpoint, the display contains the following equipment:

158,119 pounds of steel
1,008,437 pounds of concrete
25,061 b.m. lumber
11,100 bolts (approximate)
727 feet neon tubing
520 electric lamps
9,530 feet of electric wiring
89 gallons of paint

# Plan your Life Insurance as you would Plan Your Home



1936



1944



1950

**Y**OU can program your life insurance just as a good architect plans a house so that desirable additions and alterations can later be made. All life insurance protection is good, but random selection of policies can never equal the Life Insurance Program built to fit your personal needs.

Your insurance policies should fit into that Program as the rooms and facilities of your home fit into your housing needs, allowing for alterations as conditions change.

When your children are "on their own," you may prefer to convert your big house into income—by renting or by selling and reinvesting the proceeds. With the lessening of family financial obligations, you may also wish to convert part of your insurance investment into a life income for your wife and yourself.

Having in mind the contingencies of the future for which you would like to make provision, build your Life Insurance Program so that it will continue to meet your particular requirements.

A Metropolitan Field-Man will be glad to help you. Telephone the nearest Metropolitan office and ask him to call—or mail the coupon.

*The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.*

*The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.*

Metropolitan Life Insurance Co.  
1 Madison Ave., New York, N. Y.

Without placing myself under any obligation, I would like to have information regarding a Life Insurance Program to meet my needs.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

126-N



## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER  
Chairman of the Board

ONE MADISON AVENUE, NEW YORK, N. Y.

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LERoy A. LINCOLN  
President

# You Can't Fight Progress and Win

BY A. E. HOLDEN

THE H. B. Shank Company, of Fort Wayne, Ind., the last large tire operator to remain wholly independent in this city of almost 125,000, has set an example of achievement through watching changes and adapting methods to meet factors beyond its control.

When Mr. Shank established a modern tire service station in 1927, the opportunity for profits looked good. Retail list prices were low enough to provide a fair return on sales and service rendered. Something like 60,000,000 replacement tires a year were needed to keep the country's pleasure cars and motor trucks operating safely. And retail distribution was, for the most part, through independent dealers, of whom approximately 100,000 were earning a good living, plus a profit for reserves and natural expansion.

The rubber tire industry had set up a production machine capable of producing 75,000,000 tires and tubes a year—enough to equip new cars and supply replacement needs. Obviously, this was an ideal situation. Plant capacity about balanced demand, and the entire industry prospered. Manufacturers, jobbers, and dealers alike could and did make money.

Then progress began to exact its toll. Commendably enough, tire manufacturers made amazing improvements of quality.

With this improved quality, sales volume declined. From 60,000,000 to 50,000,000 to 40,000,000, until today, the estimated production and sales of replacement tires for 1936 range between 28 and 30,000,000. And so, in about 15 years, the average motorist has found that his necessary tire purchases have fallen from five or more a year to a little more than one.

Paradoxically enough, with every advancement in qual-

BUT you can make progress your ally, as this story of the experience of an enterprising merchant demonstrates

ity, list prices fell and discounts dropped in proportion. The small, hard riding, fabric tire of 1920, that rarely reached 3,500 miles of use, cost twice as much as the big, safe, easy riding tire of today that averages 30,000 miles, while 40 and even 50,000 miles of service are not unusual. These factors alone reduced profits and engendered failures. Furthermore, throughout the 1920's, maximum discounts ranged upwards.

A bitter competition was born of these conditions. The production machine was capable of turning out 75,000,000 tires a year. The replacement market had declined to 30,000,-

000. The need for volume was imperative, and no great volume was to be had!

Manufacturers searched for new outlets that would sustain profitable production. Their independent dealers could not begin to absorb factory outputs.

New outlets were opened, reducing even further the already declining volume of the independents.

That, in brief, is the situation that has bankrupted 40,000 independent tire dealers since 1926. With this picture before us, let us see how the H. B. Shank Company solved its problems.

The company's highest volume of tire sales was \$48,000, in 1929. The next year sales dropped to \$42,000, and the worst year was 1932, with \$31,000. Obviously, something had to be done. Equally obviously, diversification of merchandise was necessary to broaden sales. So, as fast as saleable items could be found that would

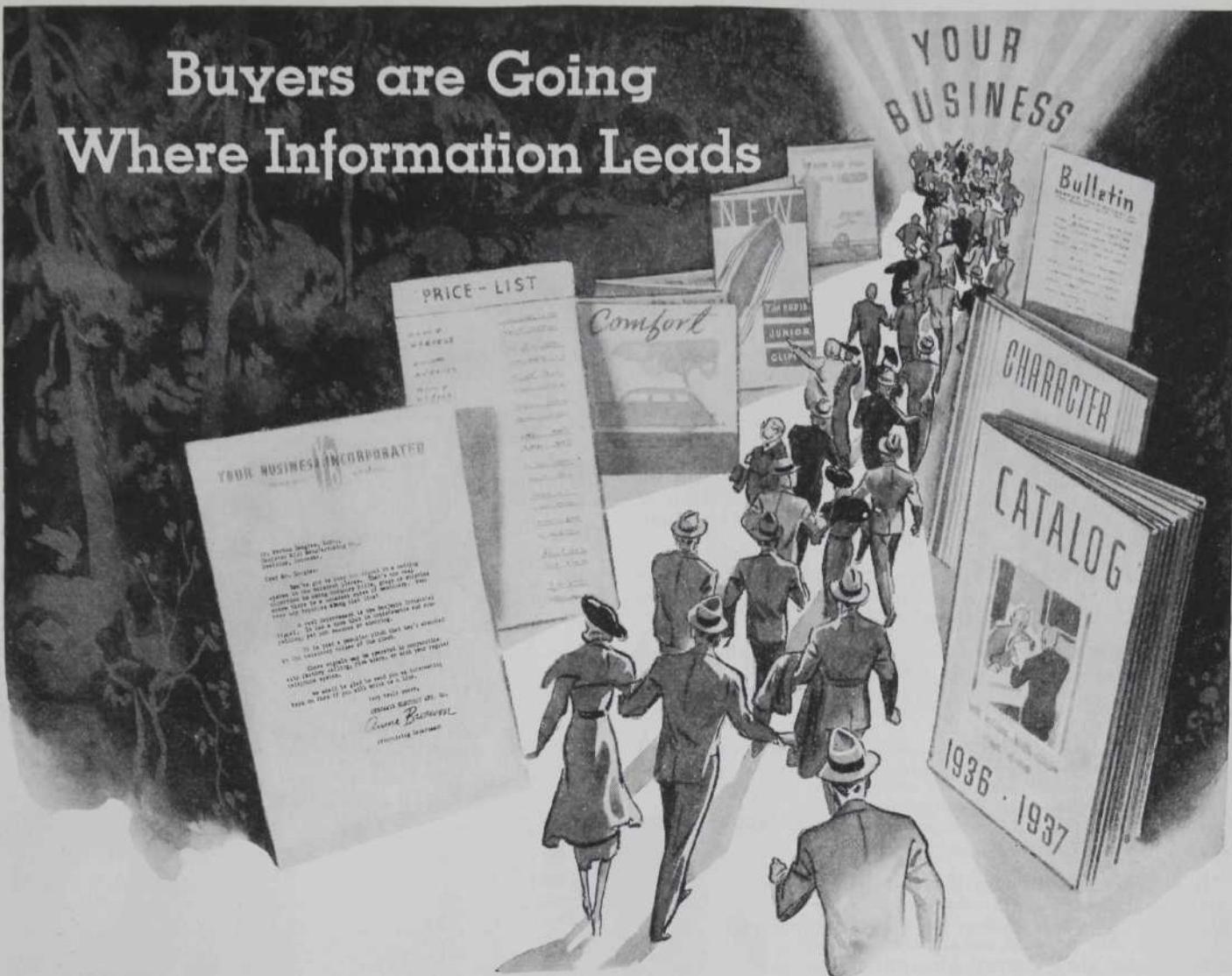
(Continued on page 90)



The H. B. Shank Company of Fort Wayne, Ind., has set itself a sales goal of \$250,000 next year. In 1932 its sales were \$31,000

NEUMAN STUDIO

# Buyers are Going Where Information Leads



**O**PPORTUNITIES to sell more and better products surround all commercial enterprises today. In homes, offices, stores, factories, both buying desire and buying power are urging buying action.

But what shall be bought? The prospect may favor new furniture for his home . . . new equipment for his office . . . new lines of merchandise for his store . . . new tools for his factory.

He finds it difficult to make decisions. His wants are many. And caution makes him hesitate. He is perplexed. But make no mistake, *he will buy*.

He will buy when he is *informed*. He will respond when facts that appeal to his self-interest are placed before him.

He is the *opportunity* of many sellers. He will be the *customer* of those who utilize the means by which uncertainty is replaced with conviction . . . by INFORMATION.

How shall appealing information be carried to him?

Multigraph pioneered one of the truly great forces in business building . . . multiple typewritten letters to convey *action-impelling information*. It made pro-

duction of such letters easy, fast and economical.

And Multigraph gave business its opportunity to produce, in its own offices, wide varieties of informative advertising . . . and catalogs, price lists, bulletins, booklets, folders, house organs . . . at surprisingly low costs.

In addition to its ability to render high quality, low cost service in selling, Multigraph provided important economies . . . usually about 50% . . . in the production of all sorts of business forms. It saved money that could be used in creating more sales.

There are small Multigraphs suitable for small businesses and organizations . . . large automatic models for those having heavy requirements . . . medium size machines for average needs. All are sold on convenient terms, and the cost of any is easily repaid out of earnings.

Why not investigate Multigraph now? Consult our nearest representative . . . addresses are in principal city classified telephone books . . . or write to MULTIGRAPH DIVISION, ADDRESSOGRAPH-MULTIGRAPH CORPORATION, CLEVELAND, OHIO.

# MULTIGRAPH A GREAT FORCE IN BUSINESS BUILDING

# No Business Can Escape CHANGE

The public demands changes  
as a new record of "Change  
page" inquiries shows

**1 • CHAIN TAPES** for Venetian blinds now offer greater permanence. Hung to the chains by a novel method, the individual slat may be removed without tools. Slats stack at either top or bottom for minimum obstruction of air circulation....

**2 • STEAKS** and roasts, it is said are made more tender by treatment with a newly-developed extract from a tropical fruit. Cooking time is shortened, too....

**3 • A NEW FUSE** glows when it burns out making it easy to locate the burned one and a slight twist of the insulated top engages a new fuse link. Six separate links are built into one fuse....

**4 • A TRANSPARENT protective film** for small metal articles such as jewelry is applied as a liquid with a soft brush. The coating is easily peeled off after moistening. It's particularly useful during the last stages of manufacture and in shipping....

**5 • A NEW REPAIR link** for chains may be applied with the fingers. It is designed so that the tension of the chain locks it. It can also be used on automobile skid chains....

**6 • A CIGARETTE holder** is now built with small ash tray attached to catch all the ashes. The tray can be detached leaving a conventional holder....

**7 • WINE** is now packaged in a specially developed tin can. It is said to make California wine available at slightly more than beer prices. The cans stack better, save space, and protect against light....

**8 • NOW** a traffic line painter is made to use brush instead of compressed air. It is said to give a good line, yet to save on paint. It makes solid or intermittent lines....

**9 • A SMALL electric furnace** is now made for hardening high speed steel tools. Tools are not scaled or decarburized....

**10 • STRIP STEEL** is now made in colors and with sufficient durability to withstand bending, drawing, and forming. The added cost of colored strip is less than the cost of coloring after forming....

**11 • THE OLD-FASHIONED** steel trap is brought up to date by a new soft rubber facing on the jaws. The trap is said to allow fewer escapes and to cause no serious injury or pain. Neither does it bruise the fur....

**12 • AN ELECTRIC** push plug that won't come loose accidentally is now made. A novel rubber ramp is pushed in by hand, locking the two contact prongs in the receiving socket. It's instantly released when desired....

**13 • RADIATORS** put more heat into the room and less into the wall when a new reflector faced with aluminum is fitted between radiator and wall. Though out of sight, the reflector adds to the radiator's efficiency, it is said....

**14 • A NEWLY developed oil-base paint** is said to be applicable directly over calcimines and whitewash without pulling them off the surface. It seals porous surfaces and can be finished flat or glossy....

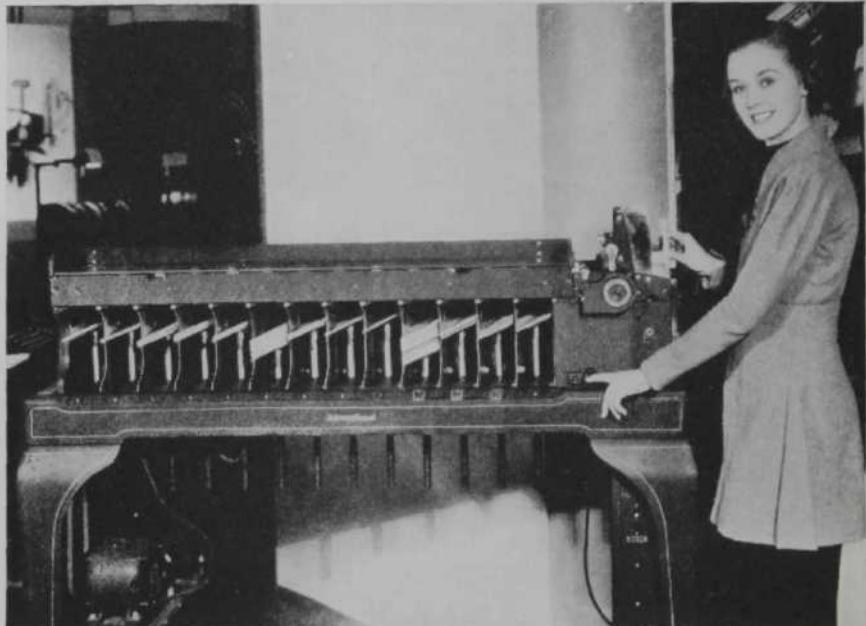
**15 • A TYPEWRITER-billing machine** handles multiple sets of fanfold continuous forms and shifts the carbons from a completed set to the next in a single, simple operation....

**16 • A NEW TYPE automobile piston** is designed to expand with the cylinder block thus eliminating slap when cold yet leaving adequate clearance when warm. It's an aluminum piston with a steel insert in the skirt, which acts as a thermostatic element....

**17 • FLAKES** of metallic lead in a paste are now available as a paint base for a metal protective primer, or, when the lead luster is wanted, as a finishing coat. It is said to have resistance to most acids and alkalis as well as various industrial gases.

**18 • A NEW impregnated laminated fabric** for safety belts is moisture proof, resistant to acids, alkalis, fraying and abrasion and has a uniform high tensile strength....

**19 • AN ALMOST noiseless paper** has been developed for sound studios. The crackle and rustle of ordinary paper is eliminated....



**22 • A NEWLY developed punch** for punched card accounting punches total cards at high speeds when attached to an electric accounting machine, or operated individually it gang punches information into sets of cards

**20 • METALS** such as crankshafts are surface hardened by a new and quicker process using induced electrical currents. A water jacket and sprays built into the hardener provide speedy quenching without moving the metal being processed.

**21 • A NEW LINE** of electric soldering irons has an hermetically sealed heating unit and ventilated handle which is adjustable in length. A compressed pure copper tip is used, to assure effective heat conduction from the heating unit....

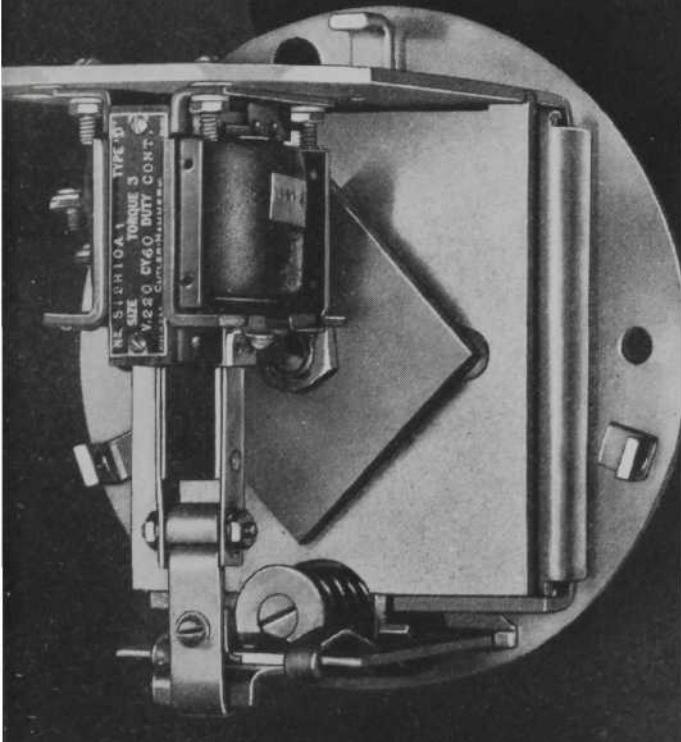
—WILLARD L. HAMMER

**EDITOR'S NOTE**—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

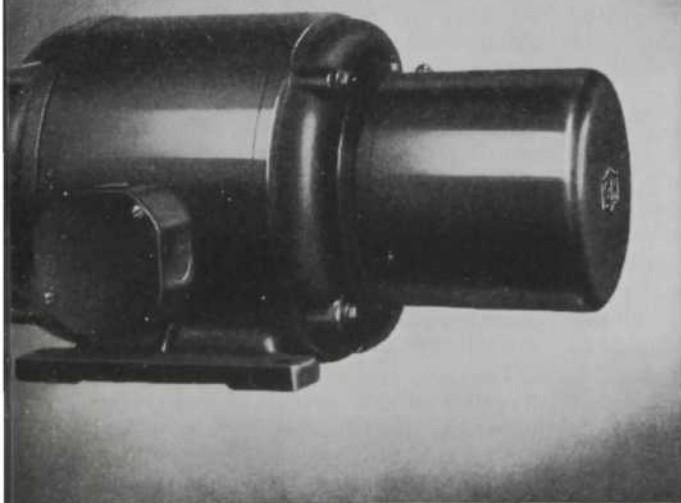
# Announcing

for

- Laundry Machinery
- Textile Machinery
- Woodworking Machinery
- Hoists
- Elevators
- Dumb-Waiters
- Machine Tools
- Job Presses
- Etc., Etc., Etc.



The C-H Motor-Mounted Brake mounted  
on a standard motor end bell.



## The CUTLER-HAMMER Motor-Mounted Brake

• To meet a nation-wide need for a totally enclosed, automatic solenoid brake integral with the motor from fractional h. p. to 10 h. p. (at 3600 r. p. m.) Cutler-Hammer announces its new bulletin 512, Motor-Mounted Brake.

This brake is available to you, already mounted, on any motor, from the motor manufacturer. This saves time, trouble and expense of mounting and aligning. It is especially suitable for equipment such as that listed in the panel above.

It follows the modern trend toward self-contained and better-looking units; its appearance harmonizes with motor design; it gives dependable performance; is easy to adjust; exceptionally quiet in operation. The rotating member, consisting of a single, heavy, moulded disc shows negligible wear on exhaustive test life even for maximum h. p. The enclosing case protects it from dirt and mechanical injury.

The price is no more than for other types of brakes. Suitable for D. C. or A. C. Also in dust tight, weather-proof and water-tight covers. Brake can also be supplied with hand release. Write for detailed specifications direct to CUTLER-HAMMER, Inc., Pioneer Manufacturers of Electric Control Apparatus, 1251 St. Paul Avenue, Milwaukee, Wisconsin.

When You Buy a Motor Have It Equipped With a

**CUTLER HAMMER**

# Hands Across the Desk

By a Purchasing Agent



**SCENE:** 10 A.M. in the office of Obadiah Whut, buyer for Whoot & Co., wholesale hardware and mill supplies. Whut is preparing to see the day's run of salesmen. He arranges a box of paper towels in the left middle drawer of his desk, and tells the operator to send in the first caller.

"**G**OOD morning Mr. Whut," says the first caller. "I'm Joe Whelk, from the Wheep Bolt Works." Whelk seizes Whut's hand in a hearty, he-man knuckle-hash grip.

"Gladdaknowyuh siddown," gasps Whut, as his macerated order-signing digits fall limply to his lap.

Whelk tells his story, gives Whut a figure on a car of bolts, and rises.

"Well, awful gladda metcha, Mr. Whut. We'll be glad to have that order. Goobye!"

He again grabs Whut's throbbing hand, reducing it to hamburger as a parting gesture of anticipatory appreciation, and leaves.

Whut massages his hand with lotion and signals the girl to let in Arthur Aardvark, of the Gusegrese Corporation. Drawing a dank ham-sized hand from a fur-lined glove, Aardvark acknowledges his welcome by thoroughly smearing Whut's helpless hand with sweat. While Aardvark is hunting in his brief case, Whut wearily takes a paper towel under his desk and dries his hand.

The origin of the handshake is lost in the mists of antiquity, and there are thousands of business men who heartily wish every day that the custom itself would vanish. The handshake in private, personal relationships, and on momentous official occasions, has distinct value and significance. But in the daily come-and-

Why should I submit my hand to the merciless crunching of all and sundry?

go in the modern business office, the handshake is an unmitigated nuisance.

In a year's time my work requires me to see hundreds of men I've never seen before, and in most of whom I have not the slightest personal interest. All I want of these men is a businesslike story of what they, as their companies' representatives, have to sell. Our relationship is official, not personal. I'm not interested in how they feel, or where they were last night.

## A meaningless custom

WHY should I submit my right hand to the merciless crunching of all and sundry? That hand is just as essential in my work as my eyes and ears. It is my private, personal property, and I'd like to keep it for my own use. But if I decline to yield it to every outstretched palm, I am inhospitable, churlish and rude, so I follow the hypocritical, meaningless custom.

The more intelligent salesmen seem to be getting away from the hand-grabbing habit. I have observed that the salesman who is not quite sure of himself or of the warmth of his welcome is the most eager to shake hands, apparently hoping thereby to establish a personal relationship. The man with a well organized story

and confidence in his wares has no need of the silly preliminary, in fact has no more desire to shake hands than I have.

Conversely, the fellow one least feels like shaking hands with is the most insistent. He pumps my arm when he comes in and gives it another socket-rattle when he leaves. If he comes back to see me tomorrow he goes through his routine again, as vigorously as if he hadn't seen me for six months.

The asininity of office handshaking is more evident when one group calls on another group and each visitor must shake the hand of each visiter, upon arrival and at departure. Here we have an orgy of flesh-pressing, which wastes a lot of time.

For me the handshake has personal connotations—admiration, respect, appreciation, and genuine pleasure at meeting another person. I know some salesmen with whom I am eager to shake hands. These are men I have known and worked with at getting some job done, and who have done their part earnestly and well. In those cases my proffer of my exclusive mitt is a gesture of respect and gratitude.

The average salesman is in the presence of his prospects only two hours a day, according to sales analysts. If that is true, every second of the salesman's time has great value. Every idle gesture costs him money. If I were a salesman with only two hours a day in the presence of my prospects, I'd keep my hands to myself except when the prospect desired manual greetings.

Another thing sales analysts have proved is that half the sales that are

# CLEAR YOUR DESK OF ELEVATOR MAINTENANCE DETAIL

*Call  
Westinghouse*

## IT'S *Rightly* A WESTINGHOUSE SERVICE

Westinghouse Elevator Maintenance is a contracted procedure of regular inspection and care supervised by Westinghouse elevator experts and engineers. This contract enables the building management to budget accurately all elevator maintenance expense.

Westinghouse assumes the many important details of elevator responsibility . . . supplies the equipment needed at a time when it is most beneficial and economical . . . uses the correct lubricant for each particular working part . . . assures elevator safety . . . eliminates shut-downs . . . maintains the elevators in a renewed condition and high efficiency at all times . . . as a nation wide organization, offers an ideal set-up for every type of maintenance contract . . . performs this protective service at a low cost. This low

cost is possible because Westinghouse experienced engineers have eliminated all guesswork in elevator maintenance.

Take advantage of a Westinghouse conference and recommendation, which carry no obligation. Call any Westinghouse representative.

### ELEVATOR MODERNIZATION PLANNING:

If your elevator service and appearance does not meet the demands of desirable tenants; if the general condition of the elevators should require too expensive a repair program; if rush periods of traffic cannot be handled adequately; if maintenance and operating cost of obsolete equipment is too high—Westinghouse engineers will make a comprehensive study without charge.

# Westinghouse



ELECTRIC ELEVATOR COMPANY

# FOOD ALLOWANCE THIS WEEK \$8<sup>90</sup>



## Could Your Family Eat Well?

Imagine her dismay—alarm—if a well-to-do man were to say to his wife, "Here, my dear, is \$8.90, our food allowance for this week."

Perhaps you know enough about the milk bill alone, to guess as to how far \$8.90 per week would go in feeding an average family in your station in life—comprised, let us say, of a busy man, a moderately active woman, a boy of 10 and a girl of 3. (We won't count the servants.)

### No Lack of Nourishment

Yet \$8.90 minimum to \$12.30 maximum (authority, Bureau of Home Economics, U. S. Department of Agriculture) is and must be the weekly food allowance for millions of city-dwelling families of 4 persons. Nor would there be any lack of nourishment, of satisfying quantity, of tastiness, of appetizing appeal at the lower figure, in the Harris household. Harris is, let us say, one of your truck drivers—and a customer of Household Finance.

### How To Save 5 To 20 Per Cent

We first met Harris when he came to us for a loan. We loaned him the money he wanted, because we saw that the cash advance could be part of a constructive plan for rehabilitating his family's finances. But we did more for Harris than that. In his case, as in all cases where borrowers express an interest, our "Doctor of Family Finances" provided educational literature that helped him find and stop the leaks in his budget—showed him and Mrs. Harris how to buy food, clothing, gasoline, household goods at savings of 5 to 20 per cent.

### This Coupon Brings The Answers

Of our half-million yearly customers, many thousands are helped so much by our educational pamphlets that they get out of the financial rut permanently—may never have to borrow again. Every executive, interested in the welfare of his employees will want to know how this is accomplished—how, for instance, a family can eat well for \$8.90 a week. The answer is contained in our booklets, free copies of which will be sent in response to this coupon.

\*\*\*\*\*  
HOUSEHOLD FINANCE CORPORATION, RM. 3052P  
919 N. Michigan Ave., Chicago, Ill.

Please send me, free of charge or obligation, a sample copy of the Home Money Management booklets you distribute to families to help them get a fresh start financially.

Name.....

Address.....

City..... State.....

made are by salesmen who have managed to do no more than to win and hold favorable attention. Certainly a large part of winning and holding attention is personal impression.

How about giving your boys a little schooling in business etiquette, Mr. Sales Manager? Believe me, they need it, not only in the matter of handshaking, but in several other irritating mannerisms that cast obstructions on the road to a sale.

Almost as bad as the persistent handshaker is the salesman who paws me during his story, and there are plenty who do it. You probably have a few men working for you, Mr. Sales Manager, who whack a poor buyer on the back, lean on his shoulder, and breathe in his ear!

You have a couple of air flailers and head scratchers working for you, too. Gymnastics like these distract the buyer's attention from what the salesman is saying.

Is there a Big-mouthed Bert on your pay roll? There is on most. This specimen bellows so loud that no one in nearby offices can think. Generally these hog-callers are unconscious of this bad manner.

There is also the fellow who says good-bye and then stands in my doorway for ten minutes, spouting afterthoughts. And the man with the chronic dry cold, who every few minutes emits the top half of a snore, followed by an alarming rattle of the larynx. All these diverting little idiosyncrasies may be concealed from you, Mr. Sales Manager, but we buyers are exposed to them all day long.

Another nuisance is the sympathy solicitor. This boy hopes I will give him an order because he is having trouble at home, or because the boss is an old meanie, and has threatened to fire him if he doesn't bring in some business.

The golfing salesman who tells me the hole-by-hole story of how he just misses breaking a hundred is a bore, but the A. No. 1, top all-time pest is the Guy with the Baby Pictures. He is the worst time-waster of all, and impossible to get rid of until he's told the whole life story of his funny-looking brats, not only to me but to my secretary. Imagination fails me when I try to conceive a fit punishment for this fellow. Giving my business to his competitor is weak solace.

## BELLRINGERS



ROBERT DUDLEY SMITH

## Back to Nature Via Railroad

DURING the past summer the Pennsylvania Railroad inaugurated a series of "Off the Beaten Track" excursions out of Philadelphia to obscure spots in Pennsylvania, Maryland and New Jersey.

Trains were stopped to permit passengers to take pictures, tramp through the woods and pick wild flowers, or enjoy a stroll in sections where passenger trains are not ordinarily operated. The excursion routes covered between 250 and 300

miles through historically interesting and beautiful country. Much of the territory covered is not even accessible by motor car.

The final trip required 13 hours, portions of it being made at very slow speed that passengers might view historic and engineering features of interest. More than 500 passengers were on this excursion and about 300 full meals were served in the diner in addition to lunches served in the coaches.

# DON'T LET A TRAFFIC JAM OF FIGURES HOLD UP YOUR BUSINESS

Whatever your business, figures ceaselessly come along every hour of every day. Regulate them and speed them up, for prompt, accurate figures are the very lifeblood of your business.

Ever since the first Monroe Adding-Calculator was made and sold twenty-four years ago, business has looked to Monroe to increase the output and cut the cost of business figures.

Today, Monroe offers 197 models, each desk-size, each with the famous "Velvet Touch" keyboard. There are calculators, adding-listing machines, bookkeeping machines, check writers, and check signers. And back of every Monroe is a nation-wide figure service operated through 150 Monroe-owned branches.

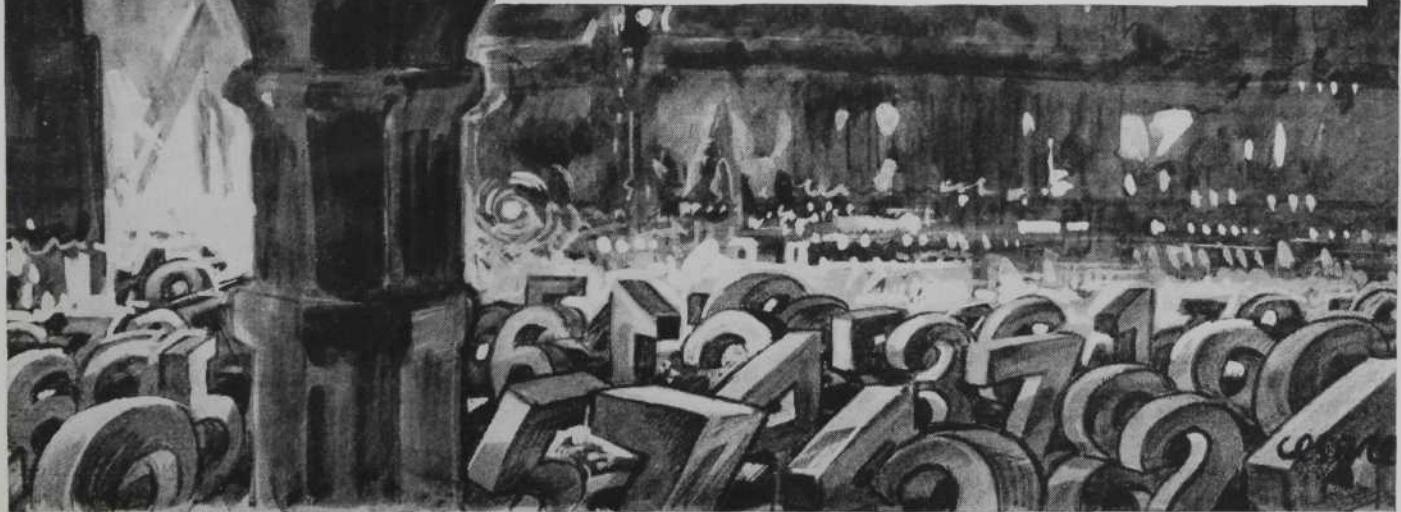
Ask the nearest Monroe branch to show you a "Velvet Touch" Monroe at work on your own figures. Write to us for a free copy of "Velvet Touch," a booklet that describes the expanded Monroe line. Monroe Calculating Machine Company, Inc., Orange, New Jersey.

#### NEW GROUP AND GRAND TOTAL ADDING-LISTING MACHINE

Compact . . . convenient . . . with two registers, one for group totals and sub-totals, and the other for grand totals and sub-totals . . . automatic negative totals and sub-totals.



## MONROE



# Helping Workers Help Themselves

BY GLENN R. PARSON



H. W. FECHNER FROM NESMITH

WITH American industry faced on all sides by a conglomeration of economic panaceas to improve conditions for employables the successful experience of the Borg and Beck division of the Borg-Warner Corporation in carrying their plant through the depression with a minimum of hardship for plant employees shows what may be done to solve a major economic problem from within the ranks of industry without outside assistance.

Manufacturers of clutches on contract to major automobile manufacturers, Borg and Beck, early in the depression, faced severely restricted production and a consequent reduction in working hours for the employees of its plant.

Seeking a way to meet this condition without throwing half their employees out of work in a period when other jobs were not available, plant executives decided to spread the work over their entire force. Knowing that, in these circumstances, many of the laborers would not make enough money to live on, they set up a loan fund.

## Capital raised by employees

THIS was obtained by deducting ten per cent from the salaries of all fixed salary employees over a period of four months and the addition of an equal sum by the company.

Disliking to make outright loans in money to plant workers because the company would have no way of controlling expenditure, the company made the loans in the form of purchase orders.

A worker finding himself short of funds to purchase food, coal, clothing or other necessities could present a list of his needs to the timekeeper of

the plant. A committee made up of the treasurer of the company, the purchasing agent, and the factory manager, checked these lists against the recent earnings of the employee to determine if a loan was warranted and issued a purchase slip for the goods required.

Arrangements had been made with Chicago firms dealing in these commodities to accept these slips, the employee received the merchandise, and a charge was made against his account at the factory.

When his earnings again increased to a point where he could live comfortably and have a margin of his salary left, either \$1.00 or \$2.00 was deducted from his wages each week in repayment.

At present, after two years of normal production at the Borg and Beck factory, \$386.08 is still unpaid by workers on the pay roll. This includes \$60 owed by two employees who were discharged for cause, and an outright gift of \$250 made to the widow of one of the workers. These items are approximately the same in amount as the interest earned by the fund at the bank.

Now that its usefulness as a means of tiding workers over a slack period is temporarily at an end, the fund is being held as a source of loans for employees who find themselves facing financial emergencies.

Success of this plan led to the establishment, on an experimental basis, of a second employees' fund.

Due to seasonal slack periods there are times during the year when plant workers are not needed on a full time basis. For example, a regular employee may work six days a week for several months and work only four, three, or even fewer days during a period when the company's business is dull.

## Individual reserve

IN AN attempt to level the earnings, the company has set up an individual reserve fund of three cents per hour for every hour each employee has worked since January 1, 1934. If, at any time, his average hours fall below 40 per week and his earnings are less than \$25 for the week, he is paid, in addition to his actual earnings, 40 cents an hour for the difference between the number of hours worked and 40 hours, until the reserve credited to his individual account is exhausted.

In addition to the three cents an hour in the reserve fund, bonuses are added as conditions warrant. If production increases to a point where the reserve is not all used in a given year, it is carried forward to the next year and company officials expect, as conditions improve, that a sizeable fund may be created for a measure of help during any extended slack period in the future, in addition to the relief it may afford during seasonal declines.

# The Map of the Nation's Business

BY FRANK GREENE

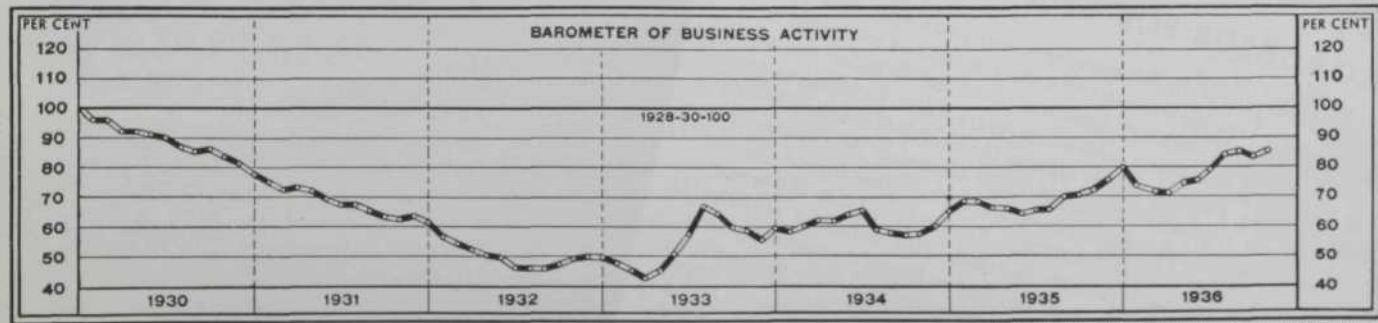


OCTOBER was the busiest month of the year although warm weather retarded retailing. Wholesaling and manufacturing set records, late crops improved, rains restored pastures and fall wheat got a good start. Carloadings were the largest since 1930 and exceeded October, 1935, by 100,000 a week. Steel production was steady at 74 per cent, the highest rate of the year, 40 per cent above last year and nearly three times that of 1934.

Cotton mills were active. Electric power output seemed to level off at a good gain over 1935. Machine tools were quieter after an active season. Lumber buying showed unseasonal activity. Foreign trade exceeded any year since 1930. Farmers' income was estimated as ten per cent above last year. Pig iron rose sharply and copper reached a new high since 1931. Building was fairly active.

The automobile industry started on what may prove to be a big year. The stock market firmed up as the month closed. Gold imports were large. Steel scrap, while quiet, closed firmer than earlier.

A lighter tinge is found in the western map as high prices for corn tend to offset lowered yields



Industrial production in October slightly exceeded the previous August high. With steel, carloadings and bank clearings showing substantial gains, the Barometer was at the highest reached since September, 1930

# Fascination that's

## DO YOU KNOW

—that the railroads haul a ton of freight a mile for an average revenue of less than a cent?

—that the speed of freight trains has been stepped up 43% in recent years?

—that by increasing the efficiency of combustion the railroads have cut fuel cost a half billion dollars in the past ten years?

—that 45 cents of every dollar the railroads take in goes for railroad payrolls?

—that the railroads maintain their own "highways" — a quarter of a million miles of "line"?

—that many railroads will carry your automobile to vacation spots for the price of a third ticket?

—that railroad fares throughout the United States have been reduced as much as 44%, and that Pullman accommodations now cost one-third less than before?

—that you are far safer on a railroad train than you are in your own home?



## ROADBEDS FOR SPEED WITH SAFETY

"Certain fast passenger trains now operate at speeds approximating 100 miles per hour as compared with the former maximum of 60 to 70 miles per hour prevailing only a few years back. In order to provide for higher speeds, the railroads are lengthening spirals, increasing super-elevation on curves, and where necessary, reducing curves and relocating lines." Quoted from CIVIL ENGINEERING, September, 1936. Such work requires constant research and this, plus scores of other investigations, occupies the time of more than a thousand research engineers in railroad and university laboratories throughout America. By such skilled and patient methods—

PIONEERING STILL GOES ON!



# never outgrown !

YOU will find, in countless American homes on Christmas morning, eloquent evidence of the place railroads and railroading holds in the hearts of folks throughout our land.

In the memory of oldsters still living, the railroads completed the bold and romantic enterprise of binding the nation together with bands of steel from the Atlantic to the Pacific.

And by their enterprise today, the railroads continue to challenge the interest and stir the imagination of youngsters born and raised in an age of wonders.

Just as electricity has replaced the key and clock-works in many toy trains which gladden homes where they have a place under the Christmas tree — constant innovations contribute to the advancement

of the nation's transportation and travel by rail.

You can doubtless name the more dramatic evidences of enterprise—air-conditioning, streamlined trains, electric and Diesel-electric locomotives—yet these are only the obvious symbols of a vastly greater program of betterment which moves forward every day and every year.

To take a single example: \$172,000,000 have been invested during the past six years in laying heavier rails, an indispensable prelude to the *faster* schedules maintained today for both passengers and freight with a *safety* record which is the marvel of the world.

If you want to know more about how the pioneering spirit of the American railroads has increased the comfort, the satisfaction, and the economy of travel, we offer a friendly suggestion:

Next time you take a trip, for business or pleasure, go by train.

ASSOCIATION OF  
**AMERICAN RAILROADS**

**SAFETY FIRST —**  
friendliness too!

**GO PLACES — NOW — BY TRAIN**  
Rates are low — Safety,  
Speed and Comfort  
greater than ever before!

No other transportation in the world can match the American railroads for speed with safety. And every modern convenience contributes to your comfort when you go by rail. Practically all through trains are air-conditioned — cleaner, quieter, healthier. You have modern lighting, excellent food, restful seats, comfortable beds, plenty of room to move around, and you get there on schedule. Yet with all the improvements railroad offer today, fares have been steadily lowered both in coaches and Pullmans.

# WHAT I'VE BEEN READING

## By William Feather

ONE sentence in "The Commonwealth of Industry" by Benjamin A. Javits, a New York attorney, is worthy of emphasis. Javits senses that there has been a costly lag between progress in political government and progress in economic government. In the Declaration of Independence and the Constitution, the forefathers established political principles that broke sharply with tradition. The many were freed from the domination of the few, and government of the people, by the people, and for the people came into being.

At that time the steam engine had only recently been invented. Few could ride on wheels. The many had to push the car on which the few rode. As roads were improved, more rode on the car, but the many still pushed. The many were told that their turn would come in the hereafter.

The steam engine changed all that. When the engine was hooked on the front of the car it was found that the pushers could hop aboard, and that everyone could ride.

Machine service, of which the steam engine was the first expression, has taken us a long way in a century and a half. Machine service is the dominant factor in our economic life today. Yet we are trying to manage and control it in terms of traditional economics.

*The Commonwealth of Industry*, by Benjamin A. Javits. Published by Harper & Bros., New York City.

That a factor has come into our midst that is too big for traditional minds is clear. Two antagonistic principles have ever been contesting for supremacy in the grand drama of mankind. This universal contest is the government of the few by the few for the few versus the government of the many by the many for the many. Politically, in America, this contest ended in 1776.

The story of this contest was an ancient tale in the days of Plato and Aristotle. The burden of their political writings was to determine the prevailing government of man and the necessary wisdom to sustain it.



Benjamin A. Javits

HERBERT H. FOSTER

Plato in the "Statesman" determined that the only possible government for man was that of the few, and the preferred form was monarchical aristocracy. He contended that a successful government of the few could be unified. Aristotle in the "Politics" agreed with Plato but he incorporated in his works a subtle and far-reaching remark. The government of the few, he said, would be the prevailing control of man "Until the lyre shall pick its own tunes and the shuttle move itself." For then there would be neither servants nor masters.

Today, as Javits says in his book, Aristotle's vision is close to realization. He proposes a rather fuzzy plan which, briefly, is that industry shall separate from the state and be permitted to set itself up as a self-governing body. As a precedent for this, he cites the separation of church and state. Now, he says, the state interferes with and corrupts industry, and industry interferes with and corrupts the state.

In return for the privilege of self-government and self-regulation, industry would accept the following broad obligations:

1. To guarantee employment at fair wages for the employable population.

2. To assure economic justice to everyone in the economic process by agreements not to sell goods and services at less than a price that will yield a fair return.

3. To guarantee for the whole population sufficient credit, available both to the producer and to the consumer, to keep purchasing power in line with the production of a modicum of the useful things for life.

4. To set aside a substantial percentage of the profits of industry to be distributed among the workers in industry, so that the purchasing power of industry

*Mainland*, by Gilbert Seldes. Published by Charles Scribner's Sons, New York City.

may be constantly increasing, and employees may have capital to repay credit advances.

5. To set up research bodies for the purpose of continually improving products and reducing costs.

From this, it is clear that the Javits' scheme is a Utopia that is reached by way of an enlarged NRA and a Douglas Credit Plan. For some time to come, due to recent failures, such a scheme would not likely be acceptable in this country.

In the beginning of this review, therefore, we mentioned a sentence that should be emphasized, and this is the sentence, or rather, paragraph:

"We cannot wait for a major prophet to emerge (to tell us what to do in our dilemma). He may not come until thousands of minor prophets have prepared the way. The genius of our age is the mass genius of many minds."

For the basic thought of this book I have great respect; in the specific procedure recommended I have no confidence.



Gilbert Seldes

# A year-lost in a minute

ACCIDENTS will happen—and in power plants they happen *suddenly!* A boiler explosion, a turbine explosion, is all over in a minute. But to clear the wreckage, pay for repairs, put the shattered plant in running order may cost a good year's hard-won profits!

Hartford Steam Boiler protects American industry in two ways: It insures. It inspects. It insures all kinds and sizes of power equipment—boilers and pressure vessels, engines, turbines, electrical machinery, refrigerating apparatus. This protection covers

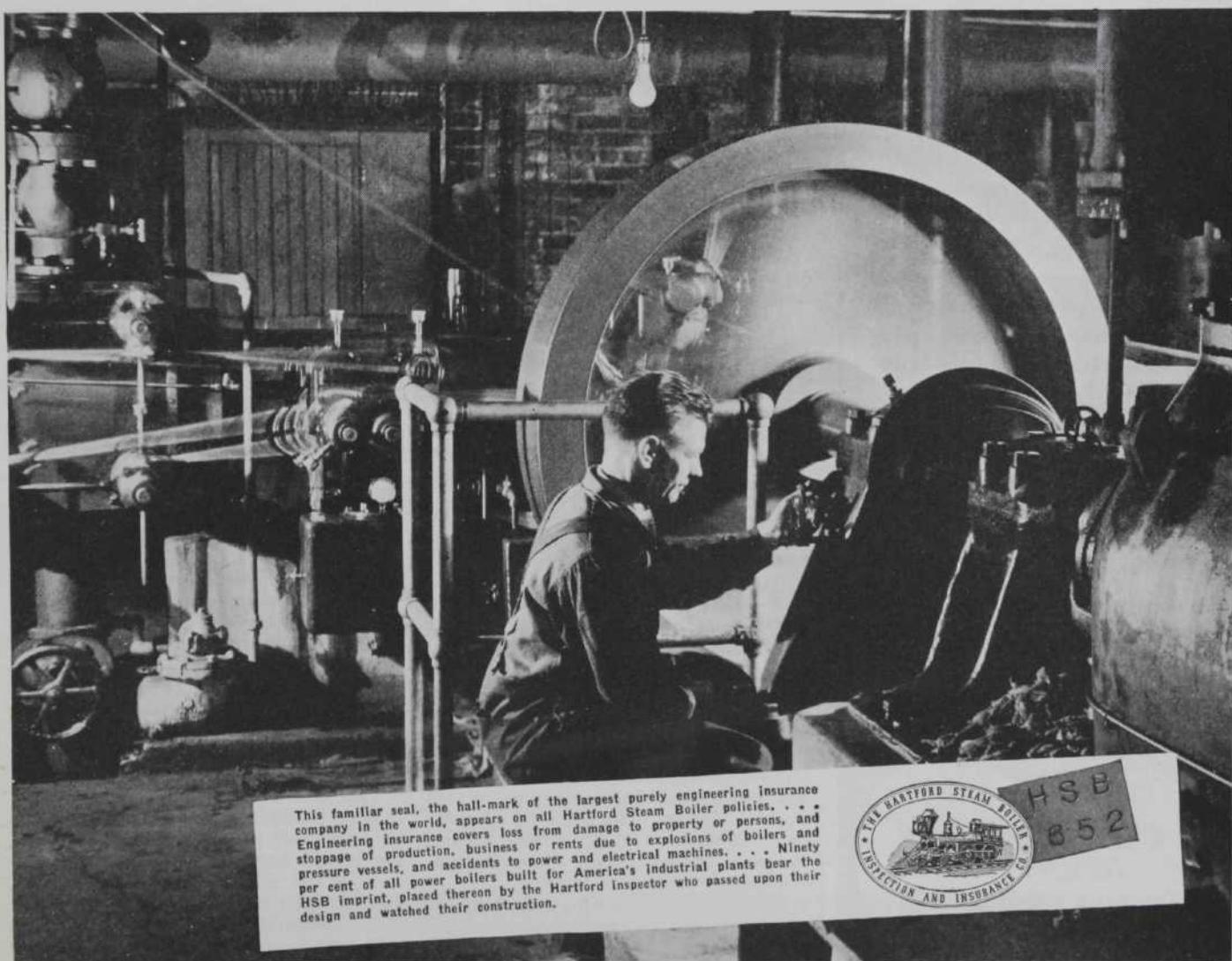
direct loss from explosion or breakdowns. It covers, also, when desired, loss sustained through stoppage of income or spoilage of materials due to such explosions or breakdowns.

To lessen the chance of accidents, Hartford *inspects*—with a knowledge born of 70 years' experience in this work alone. Skilled inspectors visit every plant periodically, using trained eyes, sensitive hands, that power may stay in bounds. They bring to every job their own talents, the resources of a great organization, and the experience

derived from 17,000,000 inspections. They bring peace-of-mind!

Directing these men, adding to their extensive knowledge new findings in the fight for power-equipment safety, is the largest engineering staff of its kind anywhere. Its services, too, are available to policyholders. Many business men declare its counsel and advice worth double the cost of insurance.

Call your local agent or broker for full information about Hartford Steam Boiler policies and practices. *That minute may save a year!*



**THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY, HARTFORD, CONNECTICUT**

# THE Profit COLUMN

Next year, your concern can post on its books even bigger figures than ever under this heading — the same as other plants that have profitably relocated along the Chesapeake and Ohio!

Power is cheap — tremendous sources of basic raw materials close at hand — abundant supplies of coal, gas and oil easily procurable — and American-born labor plentifully available everywhere in this territory. Moreover, major markets are closer — freight service better. And the finest fleet of genuinely air-conditioned trains in the world provides luxurious transportation — you "Sleep Like a Kitten" and "Arrive Fresh as a Daisy."

Look over your 1936 figures... then look up George D. Moffett, Industrial Commissioner of Chesapeake and Ohio Lines. Address him at Huntington, West Virginia.

**CHESSAPEAKE  
AND Ohio  
LINES**



But I do firmly believe that Big Business is faced with a dilemma that must somehow be resolved.

The operators of Big Business are aware that they are the servants of the many by the terms of an unwritten contract, because the beautiful thing about Big Business, and the machine service that makes it big, is that it is compelled to serve the many.

The reason why this is so is that the machines can't be operated profitably except for the many. Electric light and power, railroad transportation, radio, automobile, telephone, and thousands of industrial and domestic labor-saving devices have, from the beginning, been destined to be of universal use.

The products of the machines are equally destined to be of universal use because, if a factory is organized to make a thousand pairs of shoes automatically, it might as well make a million. Anyway, the price of tooling-up the machines for the few would be prohibitive. From the machines the millions are getting and will continue to get shoes, clothes, shelter, entertainment and education in such abundance as was never before dreamed.

What, then, is there to worry about? That is what puzzles every great industrial leader and that is what bothers the critics and the American electorate. It is the dilemma of Big Business. Ford, Sloan, Gifford, Teagle, Willard, Willke, Taylor, Hartford, Chrysler, and du Pont are honestly striving to share with the American people the blessings of the machine age. If the "mass genius" of our age can supply a new formula that is obviously better than the traditional formula, it will be eagerly accepted. But I seek in vain through this book for any such working formula.

GILBERT SELDES is for America, and he is particularly for the Middle West.

As a group, he maintains and attempts to prove that the intellectuals have been definitely against America. Their campaign to belittle our ambitions and accomplishments has been vicious and endless.

The first third of his excellent book "Mainland" is given to the establishment of this thesis, and for those of us who are disposed to accept his point of view it is good to have on our side an advocate of his skill and courage.

The writers he doesn't like, because they sneer and snort at our way of life, are named and quoted and they make up a list of nearly 50, including such as Sinclair Lewis, George Jean Nathan, Van Wyck Brooks, Harold E. Stearns, Ludwig Lewisohn, Sherwood Anderson, Art Young, George Santayana, Waldo Frank, Ernest Hemingway, Deems Taylor, Walter Pach, Stuart Chase, Theodore Dreiser, Harry Elmer Barnes, and James Truslow Adams.

There are some distinguished names in the list, and an easy retort of an unbeliever in the destiny of America might be, "Show us a list of better men who approve of American civilization."

In anticipation of this remark, Seldes has included brief biographies of five men, each wholly different from the others, yet each wholly American. They are John Humphrey Noyes, founder of

the Oneida Community; William James, the philosopher; William Jennings Bryan, the prohibitionist and fundamentalist; Irving Berlin, the song writer; and Henry Ford, the industrialist.

Typical of the cracks by the intellectual minority that make Seldes smart are these:

"If the American radio system continues as it has been going recently with commercialism rampant, nothing can save it." — Levering Tyson.

**Catalogue**, by George Milburn. Published by Harcourt, Brace and Company, New York City.

"(Franklin, Fulton, Bell, Edison) who have been the gods of the men of my day . . . all your triumphs come to the dull and the meaningless absurdity of say a clothespin factory. There have been sweeter men in old times, half forgotten now, who will be remembered after you are forgotten." — Sherwood Anderson.

"It is not a cheering thought to figure the number of people who are thrilled nightly by a close-up kiss on ten thousand screens compared with the number who see a play of O'Neill's." — James Truslow Adams.

To get at this contempt for whatever is American, in contrast with what is Old World and therefore royal, musty, hopeless, and cynical, Seldes offers more than a hundred pages of eloquent facts and brilliant sarcasm, which make splendid reading. After finishing the initial job of convincing his readers that he loves America and her works, he proceeds to rake the field of economics. He turns up an exceptionally large number of excellencies in our system and a few deficiencies. He likes our financiers less than our intellectuals. He is horrified by the thought of Communism or Fascism. What we must save, at any cost, he says, is national independence, civil freedom, and private prosperity. And he is convinced that we can have them as well as a better and securer life for all.

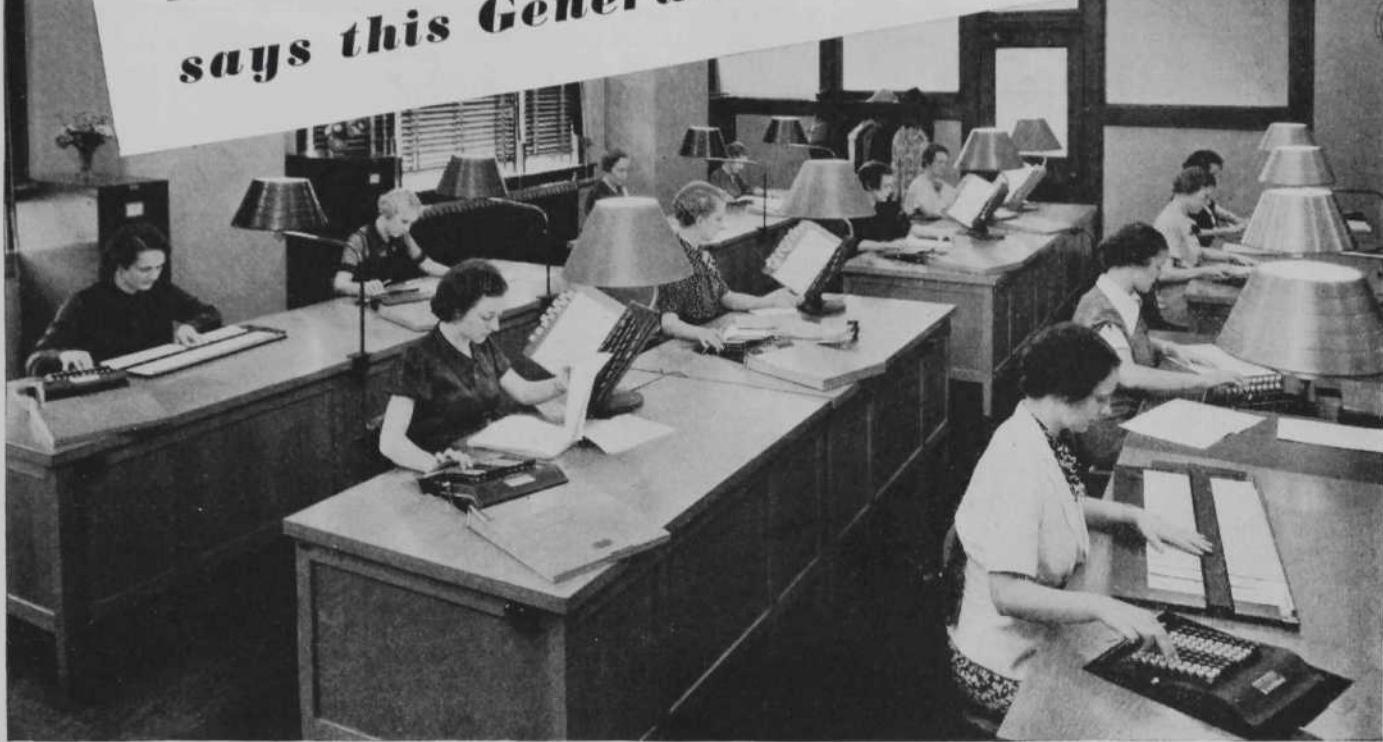
ANOTHER book I read this month which it seems appropriate to mention at this point is "Catalogue" by George Milburn. Milburn is a man of 30, born, raised, and educated in Oklahoma. When he first began to write for the magazines he was a wonder. He creates a sordid picture of a small Oklahoma town in which all the bad is emphasized and the good is repressed.

This theme has been done so often that its possibilities have been exhausted. If Milburn hopes to extend his reading public beyond the decaying intellectuals, he will have to stir himself. His gifts are too great to be wasted on the derelicts that he writes up.

He entirely overlooks the business triumph that created the mail order catalogues and the great houses for which they sell goods. All he sees about him is futility, meanness, hypocrisy, and hate. The "Catalogue" is another recital of failure in an environment in which failure is relatively uncommon.

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*says this General Electric Division*



"There are several definite reasons why we are able to turn out a large daily volume of figure work in our Statistical Department," states Mr. A. H. Stricker, General Electric Company, Nela Park, Cleveland, Ohio.

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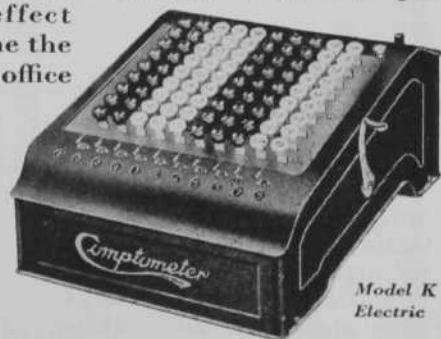
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reports. The Peg-Board utilizes original figures contained on the reports, thereby enabling us to obtain consolidated statements without posting to intermediate records."

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# COMPTOMETER

Reg. U. S. Pat. Off.

# What? No Opportunities?

BY HAYDEN KERSHNER

NEWSPAPERS and babies have one thing in common: they are sometimes born in most unusual places and on most astonishing occasions. When the stork decides to bring a baby he brings it utterly regardless of time, place or circumstance. And a writer who feels the proper urge launches a newspaper with equal disregard to what might be called the fitness of things.

The first newspaper in Kansas was printed outdoors in the shade of a large elm tree. Papers have been started in all manner of places and under most unfavorable conditions but the *News* of Clearwater, Kan., can boast of a beginning as unusual as any. Its birthplace was a blacksmith shop, its publisher a young woman without capital, training or newspaper experience.

Clearwater is a small prairie town of about 600 people. It is like hundreds of other small towns of the Middle West. Lela White is the wife of the village blacksmith. The services of a blacksmith are much in demand in all rural communities and Mr. White was doing a thriving business, so it was not necessity that drove his wife to seek employment. Ambition alone was the compelling motive. Too often ambition seeks opportunities in far away places, but Mrs. White sought it close at hand. She knew that the townspeople wanted a local newspaper and that gave her an idea.

But seeing an opportunity is not the only factor necessary to success. Mrs. White might have said, "I have had no newspaper training; I have never solicited advertising; I am not

a printer; I have no capital." And 99 business men in 100 would have said, "Then let it alone." But Mrs. White had courage and a will to work. She began her enterprise.

She set up a desk in one corner of her husband's blacksmith shop and went to work.

Having no money, she did without. She gathered news, solicited adver-



Mrs. White and a young man to whom she taught the printing trade. Below, the blacksmith shop where the *Clearwater News* was born



tising, wrote copy and planned her paper.

Since the town had no printer Mrs. White was obliged to have her paper printed in a town ten miles distant. She had to borrow money to pay for the printing. But the paper came out in spite of all hindrances. Seven issues were distributed free before a subscription was asked for. Then she appealed to the public for support. The community responded loyally. A subscription campaign netted several hundred subscribers and the *Clearwater News* was launched.

In a short time Editor White saw the disadvantage of having her paper printed out of town, so she determined to do her own printing. Since she had no money to hire a printer she determined to learn printing. Soon she was doing all the job work that came to her office. But this was only a stepping stone. Not satisfied with being publisher, editor and printer, she bought a typesetting machine and learned to operate it. Then she bought a large news press and other equipment. In two years she had a well equipped shop.

The blacksmith shop had almost lost its identity. Presses, typecases, makeup tables, papercutter, files and cabinets left but little room for the smith or his tools. The paper also needed more room and, since it carried no burden of debt and could afford better quarters, a brick building on the principal street was rented.

There it is, a prosperous, paying business, and a rebuke to all who say that there are no opportunities today.

# Season's Greetings

FROM

R.J.REYNOLDS TOBACCO COMPANY

MAKERS OF CAMEL CIGARETTES AND  
PRINCE ALBERT SMOKING TOBACCO



*At your dealer's you'll find this Christmas package—the Camel carton—200 cigarettes.*

*Another Christmas special—4 boxes of Camels in "flat fifties"—wrapped in gay holiday dress. {right, above}*

## Camels

There's no more acceptable gift in Santa's whole bag than a carton of Camel Cigarettes. Here's the happy solution to your gift problems. Camels are sure to be appreciated. And enjoyed! With mild, fine-tasting Camels, you keep in tune with the cheery spirit of Christmas. Enjoy Camels at mealtime—between courses and after eating—for their aid to digestion. Get an invigorating "lift" with a Camel. Camels set you right! They're made from finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic—than any other popular brand.

## Prince Albert

It's easy to please all the pipe-smokers on your list. Just give them the same mellow, fragrant tobacco they choose for themselves—Prince Albert—the National Joy Smoke. "P. A." is the largest-selling smoking tobacco in the world—as mild and tasty a tobacco as ever delighted a man. And Prince Albert does not "bite" the tongue. Have bright red-and-green Christmas packages of Prince Albert waiting there early Christmas morning...to wish your friends and relatives the merriest Christmas ever.



*One full pound of mild, mellow Prince Albert—the "biteless" tobacco—packed in the cheerful red tin and placed in an attractive Christmas gift package. {far left}*

*Here's a full pound of Prince Albert, packed in a real glass humidor that keeps the tobacco in perfect condition and becomes a welcome possession. Gift wrap. {near left}*

# The "mob" was only "one" *but the one was* John L. Sullivan!



*Michael O'Toole was a bouncer in a South Boston resort during the Gay Nineties. One night he was called upon to do his stuff by a terrific uproar in the bar. "How minny divils are there?" he bellowed. Being told there was only one, he waded in... Coming to his senses an hour later he said plaintively, "I thot yuh said there was only one!" And so there was only one. It was John L. Sullivan.*

**WHO?**" means more than "How many?" in determining the power of people—and a newspaper as well.

For the figure-minded advertiser, Scripps-Howard Newspapers reach more than 2,000,000 families. But these figures alone do not begin to ex-

plain the vital force these newspapers exert in the 23 cities where they are published. It can be explained only by the character of the people who read them. And by the unique policies which attract to these Scripps-Howard papers the most active, open-minded and influential people in their communities.

These newspapers, owned by the men who edit and publish them, are under no obligation except to publish unbiased news. They can—and they do—place the community good and national welfare above any and every special interest. They derive their reader appeal from constructive policies and an intelligent, undistorted and interesting presentation of news and features.

91.5% of the Scripps-Howard readers live within the concentrated retail-trading areas. And they have this important plus value: A Scripps-Howard reader, in point of buying power and local influence, is generally a reader who packs a punch.

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TOLEDO . . . . News-Post  
COLUMBUS . . . . Citizen  
AKRON . . . . Times-Press

BIRMINGHAM . . . . Post  
MEMPHIS . . . . Press-Sentinel  
MEMPHIS Commercial Appeal

WASHINGTON . . . . News  
FORT WORTH . . . . Pres  
OKLAHOMA CITY News  
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A full-color 11½" x 10½" reproduction of above painting, for framing, FREE on request to Dept. B.

## IN COMMODORE PERRY'S STRANGE CARGO

- When Commodore Matthew Perry sailed from China with the American fleet in 1853, his sea chest was laden with gifts of jade, gems, sacred buddhas, silks...and a bag of soy beans!
- For ages, the Orient has treasured this bean as a food. But not until 60 years after Commodore Perry officially introduced it to the western world, was its extraordinary character fully realized. Aided by intensive Glidden research and experiment, the soy bean rapidly began to change the nation's agricultural and industrial habits!
- Today, the products of The Glidden Soy Bean Division are utilized in the manufacture of

bakery shortenings, bake goods, confectionery, cereal beverages, paper, animal foods, cosmetics, automobile parts and accessories, dietetic and packed foods, plastics, and many other products. To soy bean oil, especially developed in Glidden laboratories, Glidden Soyalastic Farm Paints owe much of their long-wearing, protective qualities.

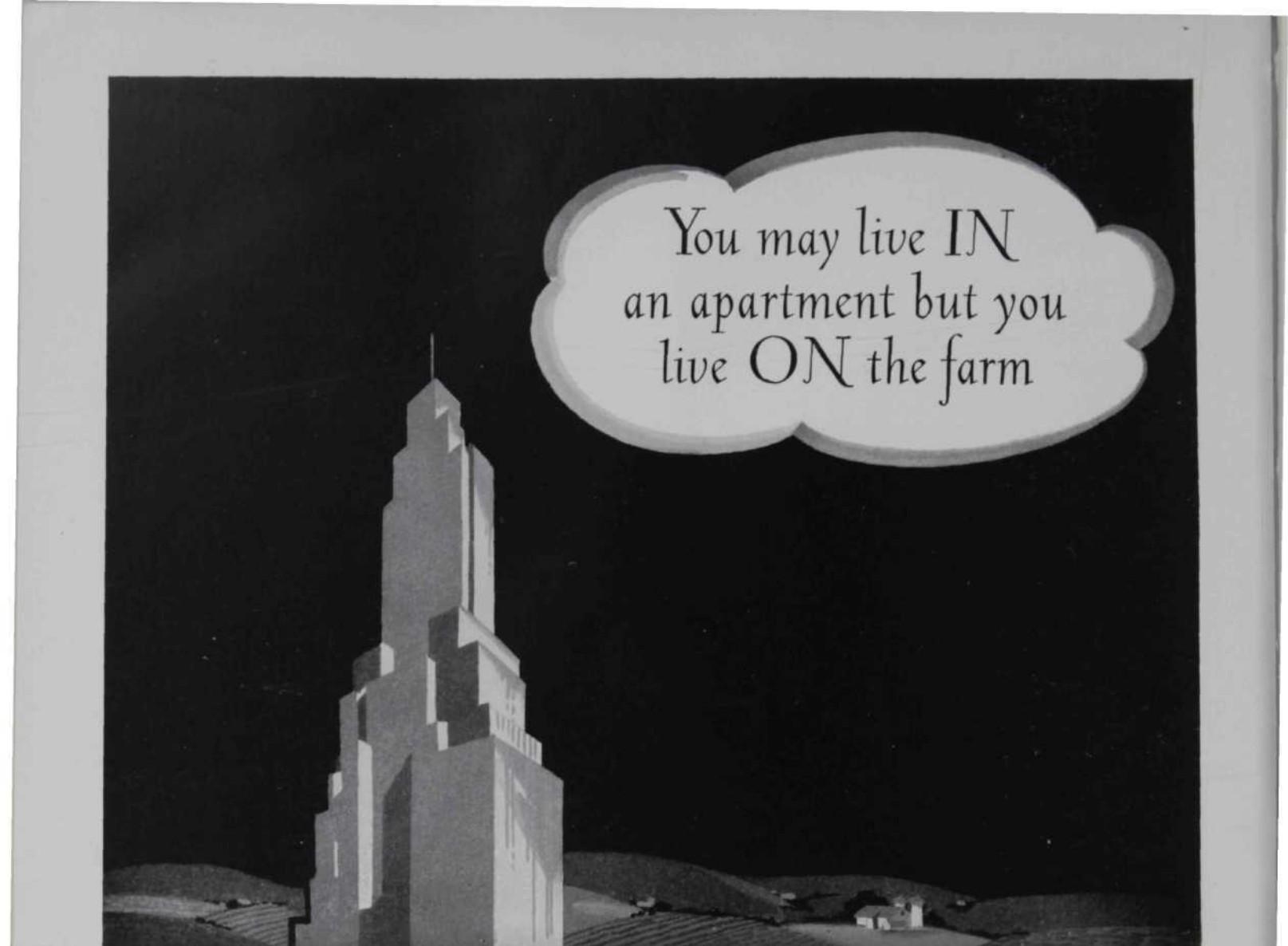
- Long renowned for fine paints, varnishes and lacquers, The Glidden Company today embraces an im-

pressive group of successful industries, utilizing great varieties of raw materials in large quantities, to supply many different commodities for world markets.

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*Everywhere on Everything*

The Glidden Company, manufacturing Jap-A-Lac, Speed-Wall, Ripolin, Florenamel, Endurance House Paint, Glidden Spar Varnish, and a complete line of home and industrial paints, varnishes, lacquers, enamels. • Also owning and operating the following: Euston Lead Division, manufacturing Euston White Lead. • Durkee Famous Foods Division, manufacturing Durkee's Famous Dressing, Dunham's Cocoanut, Durkee's Margarine, Durkee's Spices, Durkee's Shortening, Durkee's Worcestershire Sauce, etc. • Chemical & Pigment Division, manufacturing Astro lith and Sunolith Lithophones, Cadmium Reds and Yellows, Titanolith, Titanium Dioxide. • Metals Refining Division, manufacturing MRCO Grid Metal, Mixed Metal, Wilkes Type Metal, Metrox Red Lead, Cuprous Oxide, Copper Powder, Litharge. • Soy Bean Division, manufacturing Lecithin, Soy Bean Meal, Oil, Flour and Protein. • Nellie-Resin Division, manufacturing Nellie-Resin, Turpentine, Rosin.



You may live IN  
an apartment but you  
live ON the farm



YOU'D wear out a new car visiting the actual farms supplying the food you get so conveniently from your corner grocer. These American farms are yours in the sense that your very life depends on their productivity! As to productivity, it would astonish you to swing around the states and see what your sugar beet acres can do in a year. You'd see about a million acres supplying all the sugar 30,000,000 Americans consume and, after the sugar is taken off, producing (from by-products) beef and lamb for 5,000,000. And you'd see the beet farmer using your sugar money to your advantage.



K. B. Fisk, Sacramento Valley, started growing sugar beets in 1931; now grows 300 acres; has paid for all trucks, tractors, implements; lives well.

An industry engaged in developing American natural resources, improving American agriculture, and supplying American markets with an all-American food product



The reasonable price you pay for any sugar pays some farmer—here or overseas—for his labor and the use of his land. If it's American beet sugar, your money goes to an American farmer who spends it all in the United States . . . The beet farmer is your economic neighbor. He lives here! He buys here! Beet farmers are business farmers. They are good customers for your business. What's more . . . a million acres in sugar beets is not another million surplus acres of corn or wheat!

And money paid for domestic beet sugar also goes to many widely varied American industries, as is described in the booklet, "The Silver Wedge," sent on request.



A. J. Greer, once a Salinas Valley ranch foreman, first grew beets in 1929 on \$750 capital; now grows 725 acres and owns complete equipment.

UNITED STATES BEET SUGAR ASSOCIATION

823 GOLDEN CYCLE BUILDING

COLORADO SPRINGS, COLORADO

# Face-Lifting for the Old Home Town

As told to Virginia Mae Moffett

by H. C. RATLIFF Weslaco Chamber of Commerce

MANY people have modernized their own buildings to bring them up to date but the progressive merchants of Weslaco were not satisfied with that. They wanted to modernize the whole town. And they did, in spite of non-believers

BIG business may make the headlines and great cities may turn the wheels of industry, but the backbone of America is still the "Old Home Town."

If New York alone has millions, then what of the farmers who are needed to supply food for those millions? What of the small towns that are needed to supply the wants of farmers? What of the schools and churches and libraries that must be established in sparsely settled places that these people may share the cultural advantages of city dwellers?

In a word, why do the ordinary folks in the old home town get the notion that they are the nation's nobodies and that their home town is no more than a name on a map?

That question was in the minds of three men who sat around a table in a village drug store a year ago last July and tried to plan a way to improve their own small spot on the map. The results of that conference were a year's hard work and headaches. The result was the only hometown in the United States, or in the world perhaps, that can boast of having "lifted the face of Main Street."

It bears the artistic name of Weslaco, a little village set in the center of the lower Rio Grande Valley of Texas. Just across the river lies Old Mexico and for miles on either side spread the fertile lands of America's own "Valley of the Nile."

Here farm lands, green the year around, and wide acres of groves that



EDDRINGTON STUDIO

A year ago the streets of Weslaco looked like the streets of any small town. Now they resemble architecturally a portion of old Spain. And business is better as a result



EDDRINGTON STUDIO

produce the world's finest grapefruit, are crossed and re-crossed by palm bordered highways and lazy blue canals.

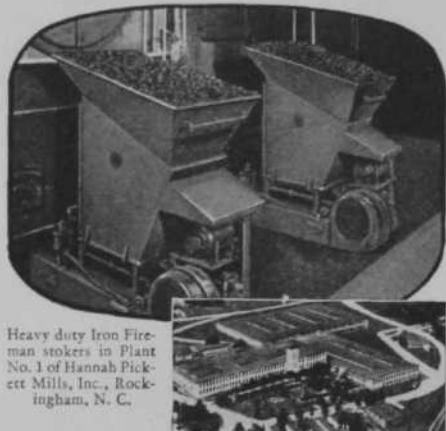
In the midst of so much beauty there is no room for the kind of town that is America's conception of the villages of the Great Southwest—a single line of unpainted store fronts, facing a narrow street bereft of trees and continually whipped into clouds of dust by the galloping horses of rampant cowboys. A town that is a blot upon the landscape has no right to exist. Such was the conclusion drawn by the three members of Wes-

laco's Chamber of Commerce when they planned to make their town a beauty spot.

It would be no easy task. It would mean changing an entire community of small stores that had been built for convenience and cheapness with no thought of attractiveness, into a community of modern buildings, conforming to one idea of architectural design.

T. G. Cressner, owner of the drug store where the men held their impromptu conference, is not a dreamer, but a practical business man. He knows the other business men in

# IRON FIREMAN CUTS FUEL COST 43% AT BIG COTTON MILL



## LET IRON FIREMAN CUT YOUR COSTS



Learn from a cotton mill how you can cut your fuel bill—in commercial heating—in power boilers—in home heating systems—by automatically and scientifically firing coal with Iron Fireman Automatic Coal Burners.

Coal is America's permanent fuel supply. Stoker coal is by far the cheapest form of heat units in nearly every market. Iron Fireman has developed automatic coal firing to a degree of efficiency, cleanliness, convenience and reliability never before thought possible.

At Hannah Pickett Mills, Iron Fireman is cutting fuel costs 43%—an estimated annual saving of \$3148.19 a year. Cost per 1000 pounds of steam has been cut from 40.7c to 22.9c; boiler efficiency increased 63%. Two boilers now do the work that formerly required three, hand-fired.

Such Iron Fireman savings are so universal that it is almost certain that Iron Fireman firing will pay you too, no matter what type of fuel or firing method you are now using. An Iron Fireman boiler room survey is the first step. This is a free engineering service, available to anyone. A trained engineer gathers the facts on your own firing job, and submits a report showing what savings and betterments can be made, and what they will cost. You can decide with these facts before you. For instance, Mr. W. B. Cole, president of Hannah Pickett Mills, knew what Iron Fireman would do for him before he bought. You can know too, without cost or obligation. Simply write to the factory at 3110 W. 106th St., Cleveland. Iron Fireman automatic coal burners are made both in hopper and bin-feed models for installation in furnaces and boilers developing up to 500 h.p. Sold on convenient payment terms. Quickly installed. Iron Fireman Manufacturing Co., Portland, Oregon; Cleveland; Toronto. Dealers everywhere.



**IRON FIREMAN**  
AUTOMATIC COAL BURNER

Weslaco and he knew pretty accurately what most of them would think of such a plan.

"Spend their hard earned profits to remodel their store fronts which were in good condition even if they weren't beautiful?"

The members of the Chamber of Commerce must be a little crazy!

The members of the Chamber of Commerce were not a little crazy, but they were men of vision and willing to fight for progress.

"People will say it can't be done," Cressner assured the others, "but it can be done and we'll do it!"

One of his hearers shared his point of view, but brought up the obvious objections. The idea must be sold to the people who would say it couldn't be done. How would they do that?

William D. Miles, the third member of the group, conceived the idea of pictures. Give them an artist's conception of what their home town would look like when the metamorphosis was complete. Employ an architect to draw their own stores remodeled in Spanish architecture. Spanish architecture was the natural choice.

Pictures cost money, but Cressner, afire with enthusiasm, volunteered to raise what he could from friends. It took him less than a day to raise \$150, to which the Chamber of Commerce treasury added another \$50. The pictures at least would be a tangible reality.

ish design that suited their fancy and purse.

But the cost was surprisingly little and F. H. A. loans were available. These facts helped to put the idea across to some of the skeptics.

But there were other skeptics. Remodeling a whole town was unheard of and how could Weslaco, a town of 6,000, expect to achieve something that had never been done before?

### An idea put into practice

BUT Weslaco has done exactly that. On January 27, Cressner started the ball rolling by beginning the work on his own drug store. Two months later the building owned by S. L. Edrington, Weslaco's photographer, was remodeled. With these two examples before them, a constant contrast between the new and the old, the skeptics began to dwindle. The idea had caught fire at last in the imaginations of Weslaco merchants and, once alive, the fire spread fast. Throughout the summer, scaffolds and workmen were a consistent part of the scenery along Weslaco's main street. Every store front along that thoroughfare is to be remodeled. The face of Weslaco will be 100 per cent new!

"Lifting the face of Main Street" has grown from an idea formulated around a drug store table into an actuality that is acquiring nationwide recognition. From an ordinary little western town, Weslaco has been



EDRINGTON STUDIO

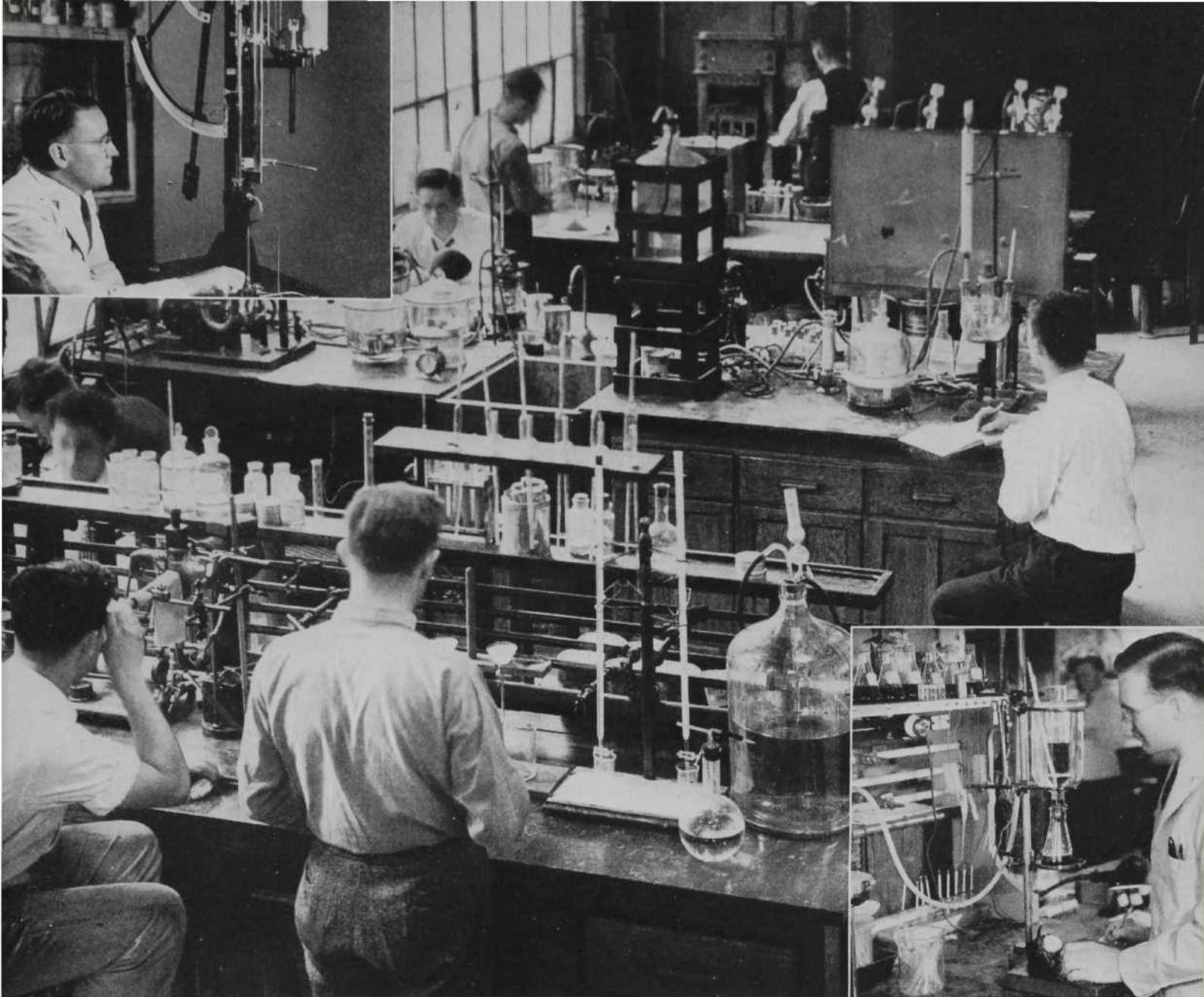
Even the skeptics are admitting that the program of remodelling was not an expense but an investment

On July 11, a vacant store in Weslaco became an art gallery of Spanish pictures. An exhibit was held and every merchant and store owner in town was shown his building as it would appear when beautified by white stucco and bright colored tile. They were shown a completed town, beautiful with belfries and steeples and blue and yellow and red adornments of old Spain. The owners of the buildings were told that they need not use these designs, but any Span-

transformed to a charming bit of Old Spain.

Weslaco is a home town that has faced the fact that towns, like people, either progress to something better or deteriorate to something worse.

Since Weslaco has "lifted the face of Main Street," a number of new homes have been erected in its residential sections; merchants have shown increased business; and even the skeptics are admitting that it was an investment.



## ANSWERING INDUSTRY'S CALL FOR BETTER MATERIALS

UNTIL a comparatively few years ago industry was dependent upon materials which nature provided.

Although many of these products rendered valuable service they were far from satisfactory. Through the inventive genius of man, new materials were developed that proved superior to the products of nature, and helped industry solve an infinite number of problems.

Many of these man-made new materials were the result of chemical research, and, today, these new materials which were unknown a generation ago have become the standard products of industry.

Among the most valuable and useful of these is a group of several hundred materials sold under the trade name "Bakelite".

In practically every branch of industry, one or more types of Bakelite materials are performing a useful service in improving quality or production efficiency.

Some of these products cannot be iden-

tified as they are used as an ingredient, as in the case of resins for paints and varnishes, or as a bonding agent for high speed abrasive wheels.

Other forms of Bakelite materials are visible to the eye. For example, gears and pinions that have eliminated the nerve shattering noise of all-metal gear trains, and molded instrument cabinets which have replaced those of wood and metal.

These are but four of the hundreds of ways in which industry's demand for better materials has been answered by Bakelite products. Today, there are almost 2,000 varieties available to industry. Each material has been formulated to meet a different requirement and widely varied specifications.

It would take volumes to describe the character of these materials and their possibilities. If you have a problem involving product improvement or greater manufacturing efficiency, it is probable that you will find the use of one or more of these Bakelite materials of definite advantage to you.

We cordially invite you to consult us. We have a staff of trained engineers at your service for this purpose.

We also suggest that you write for copies of our booklets 1M "Bakelite Molded", 1L "Bakelite Laminated", and 1S "Bakelite Synthetic Resins."

*Bakelite Corporation, 247 Park Avenue, New York, N.Y.  
Bakelite Corp. of Canada, Ltd., 163 Dufferin St., Toronto*

### The Photographs show

*Upper Left: Elasticity test of Bakelite Resin Paint Film. Lower Right: Viscosity test of Bakelite Resinoid. Center: One of the many departments in Bakelite Research Laboratories.*

# BAKELITE

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SAINT LOUIS, MO.

## Where Business Rules Itself

(Continued from page 40)

throughout the country are good, Clearing has much less available cash than when times are bad. The District does all of its own financing. Hence, when building is booming, Clearing has much of its money tied up in construction work.

That important question, "Does industry appreciate isolation and the ability to shift for itself?" is best answered by the Clearing Industrial District, Inc., business report for the first nine months of 1936.

The report indicates that now, more than ever, industry does want to work out its own problems. In nine months, ten new industries have located in Clearing. Eight additions have also been contracted for.

Starting with one plant in 1909, the promotion kept gathering momentum until, in 1927 alone, 22 new industries came. In the depression years (1929 to 1935), this area gained 18 more plants. The 1935 business was the best in Clearing's history but nine months in 1936 have rolled up a volume which already surpasses last year's total.

### A variety of industries

THE 112 plants represent almost as many industries. The factory where all Pepsodent products are made for the American market; the Borg-Warner Corporation; the Visking Corporation, producers of edible sausage casings; Olivilo Soap; the largest plant of the Continental Can Company; the western division of Johnson and Johnson, surgical supply house; all of the Cracker Jack in the world is made here; the S.O.S. Company, manufacturers of steel wool; Buick's distribution station for parts used throughout the Central West; a division of the L. A. Young Spring and Wire Company; the Borg and Beck manufacturing plant; and the Inland Glass Works, Inc., are among the plants located here.

Approximate value estimates placed on district plants show \$3,500,000 for the Continental Can factory; more than \$1,000,000 for Cracker Jack's plant; and at least five more plant buildings valued at more than \$750,000.

The average size of a Clearing plant is 44,000 square feet, always adjoined by a ground plot for expansion. Nearly always, the plant is of one-story construction. Clearing estimates a saving of 15 per cent more usable space per square foot by

eliminating stairways, elevators, etc. The saving in supervision and operating expenses also helps in Clearing's recommendation toward one-story construction. The fact that land is plentiful makes one-story construction cheaper than multi-story plants.

Since its inception in 1909, all property in the District has been sold and leased with the definite restriction that its use for 50 years will be manufacturing and warehousing.

And when the manufacturer is king of his own domain, can and do individual industries prosper? Carloadings are always considered one of the good indices of business and, in the first six months of this year, 36,780 carloads of manufactured goods were moved by Clearing firms. This increase of 25.7 per cent over the same period in 1935 compares rather well with the nation's increase of 9.43 per cent for the same period.

In six years, employment in the District has risen more than 60 per cent.

Because every foot of the district is privately owned, there never has been labor trouble. Another helpful factor is that there is no particular season at Clearing, the many diversified industries making for a staggered system of off business periods. Open shop labor is customary.

When planning a building, Clearing's architects stress no other point as much as flexibility. Three questions they think most important are:

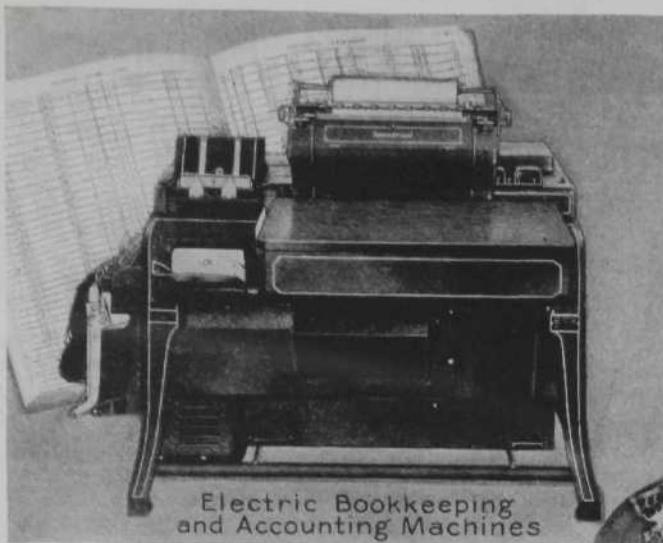
Is your building flexible enough to house firms in other lines?

How are shipping facilities?

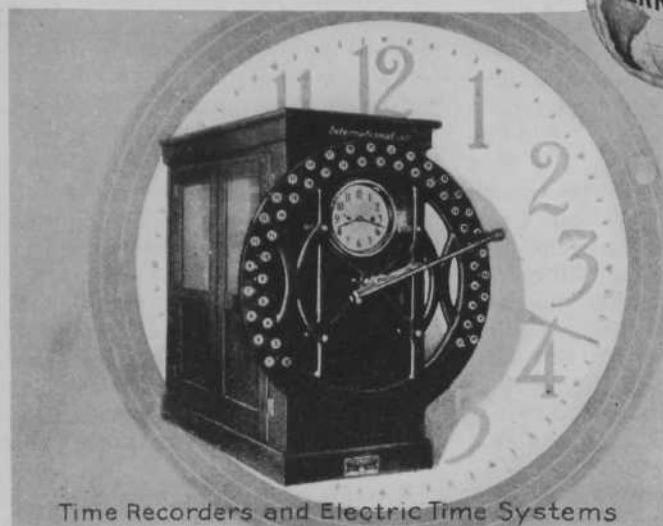
Can the building be divided?

And landscaping gets much attention. Always Clearing advises spending some money on outside appearances. If the rear of the building should adjoin an important railroad line or busy thoroughfare, dress up that portion of the building just as well as you can. They figure that a \$3,000 extra expenditure on outside appearances will cost, at nine per cent rental, exactly 73 cents a day and has the same outside effect on employee morale and efficiency as air conditioning has on the inside.

Four things, then, have combined to bring more than a modicum of success to the Clearing Industrial District. The simple, sound economies of perfect freight haulage and rural taxes, plus plenty of room for expansion and the fact that it can boast of being a city without an inhabitant—devoted only to industry—tell the story.

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ON MY  
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- Fixed, inflexible machine speed is a costly handicap. Too slow for many operations—restricts capacity of man and machine. Too fast for other operations—impairs quality of production, and gives too many "rejects."

### 2-ELIMINATE THIS

I GET ONLY  
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- A few limited "steps" in speeds are not enough. The "in between" speeds are essential to meet changes in production schedules—new products—new processing methods—different sizes and shapes of products.

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## The Toy Business Isn't All Play

(Continued from page 22)

around development has been a broad trend for the past 20 years, but even the veterans of the business cannot guess what fad adults will pick next, except to guarantee that it will be different from the last craze. At present games based on real life situations, such as real estate speculation, traffic hazards, football, baseball and elections are particularly popular. Before that jig-saws had a whirl and before that backgammon, mah jongg, miniature (pee-wee) golf, table tennis, bagatelle, etc.

The manufacturer and retailer in producing and merchandising these games must apply the same rule of reason as in any fashion. It is here that the veteran toy manufacturer and toy buyer distinguish themselves from the amateur. When to get in and particularly when to get out is a question that requires some experience. The veteran toy and game manufacturer takes these cycles as a matter of course. The amateur manufacturer and distributor mistake them for a potential never ending source of lucrative return, but soon wake to find that all of their potential profit has been dissipated by not anticipating the quick ending of this intense demand.

There is perhaps no industry that so tangibly demonstrates quick consumer acceptance and rejection of

certain items of play. The experienced manufacturer knows about how long a popularity will last. He cuts his production, gets his stock in order and devotes his time and interest to developing something new to take the place tomorrow of the popular games of today.

The fact that a game manufacturer must be wary may account for the fact that there are few successful game firms and most of them have been in business for many years.

### Designs are pirated

ANOTHER, and very special headache for the toy manufacturer is brought on by the copying of designs in foreign countries.

In 1935, toy imports totalled \$2,587,228. Exports were \$2,474,984. Exports, however, are on a domestic valuation, whereas imports are on foreign valuation. To place this figure on a comparable basis, imports must be multiplied by at least two, so that the total domestic value of imports in 1935 was at least \$5,000,000, and also a great many items commonly known as toys are not so classified in the Customs. Conservatively, therefore, toy imports are more than double exports.

Because of the specialized nature of a great number of toy items and the necessity for a considerable



TOY MFRS. OF THE U. S. A.

Development of toys which enable the child to learn while he plays is one reason for the rapid growth of the American industry

amount of assembly work some hand work in the plant is still necessary. This hand work, however, in America has been brought within the plant. Homework is negligible. This is the chief characteristic which distinguishes American toy production from that in foreign countries.

#### Foreign wages are low

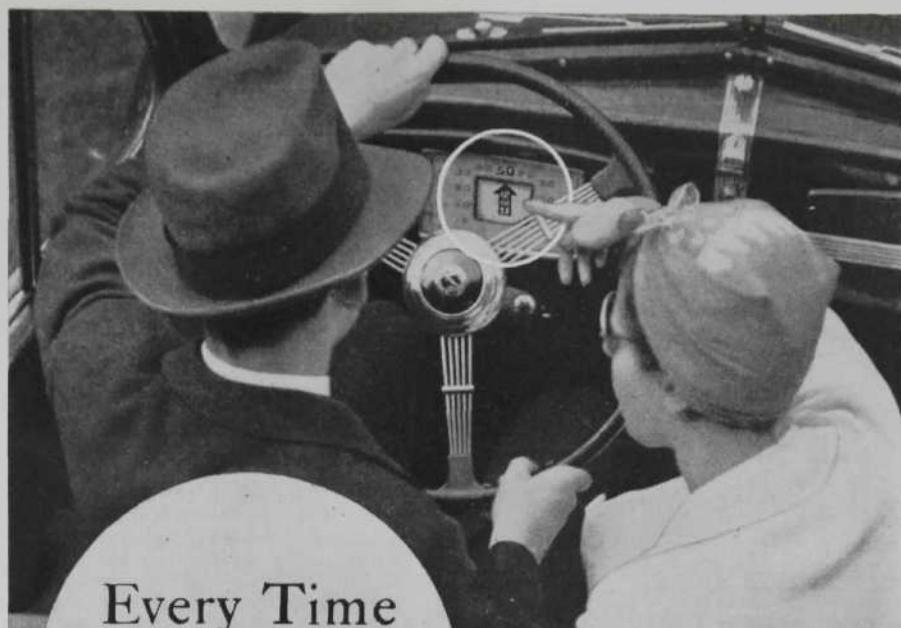
PARTICULARLY in the Far East, a considerable percentage of the toys are produced in the home at extremely low wages, making it difficult for American manufacturers to compete, especially in the lower priced items. Competition is made more difficult by the unrestrained piracy of design and ideas which exists, primarily from the Orient. Piracy or copying, combined with low labor rates, enables Far East manufacturers to lay toys down in America, in lower priced goods, at prices from 40 per cent to 50 per cent under domestic production costs.

Although there is a duty of 70 per cent on toys, this duty is applied on the foreign valuation which obviously gives little protection. If this duty were applied on American valuation, the protection would more nearly compensate for differences in production costs.

#### A wider variety is made

IN SPITE of all these problems, however, American manufacturers will offer more than 10,000 different types of playthings for Santa's pack this year. These will represent the opinions of buyers and consumers, sometimes obtained by laboratory tests in kindergartens. And the harassed parent or relative who tries to choose, from this wide assortment, exactly the proper gift for the fortunate children on his list, will find that toy merchandising methods have been revised to help him. Many stores are using the Toy Sales Manual and Merchandise Manual designed to give sales persons as well as store executives full knowledge of the consumers' new conception of toys as essential tools in the child's development as well as funmakers. Many stores have carried this idea even further through regularly organized parent congresses which meet in the spring and fall to consider "what toys for what age" under the expert guidance of educators and child psychologists.

Hundreds of radio home hours have been devoted to programs of children's play needs throughout the year while parent-teacher and women's club groups feature programs on the toys children need at different ages.



Every Time  
Anyone Joins  
This Club

# Death takes Another Holiday

America's rate of speed is 4 deaths an hour, 100 a day, 37,000 a year. An appalling price to pay for carelessness and needless speed.

And 67% of these deaths occur on the open highway where most speeding is done.

That is why Lumbermens invites you to join the "NOT-OVER-50" Club—asks you to drive sanely—and to lend your support to this movement that is saving lives every day.

Membership card and insignia are free. Simply mail the coupon and the safety packet will be sent to you.

#### *Car Insurance at Cost*

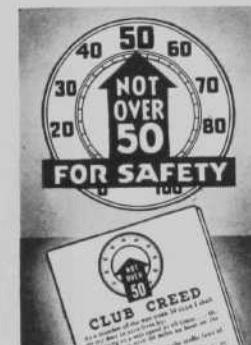
Lumbermens sponsors the "NOT-OVER-50" Club as part of its nationwide campaign to reduce accidents. The club, designed

to reduce losses, is only one of many ways in which Lumbermens keeps the net cost of automobile insurance low. The selection of only careful drivers, and economical operation of the company, have made possible every year large cash returns to policyholders. When you insure with Lumbermens, a mutual company, you buy your car insurance at cost.

You do not have to be insured in Lumbermens to help stop death on the highway. Ask your local "NOT-OVER-50" Club representative for emblems, or mail the coupon today.

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POWDERED AND SOLUTION COLLOIDAL  
*RESINS*

# The Real Business of Retailing

(Continued from page 24)  
sory after the fact of buying and selling.

Unfortunately, there are few great merchants.

I will sit 20 store-owners in this country in a row and ask them:

What is the best selling color in coats?  
What is the newest color trend in broadloom carpeting?

What is the best selling book in the book department today?

What three items outsell all others in the housewares department?

What has been the matter with the toy business in the past two years?

What is the average size requirement of the woman who buys piece goods?

What will be the most important promotion in the store next week?

—and 18 out of the 20 will flunk the test.

If they don't know these things, what right have they to be at the heads of stores the primary function of which is not to run delivery trucks, not to buy cash registers, not to put plate glass insurance on the windows, not to carpet the misses' dress department, not to install jumbo elevators, not to repaint the fire exits, but to find out what the public will buy in quantity and to sell it to them.

If these store presidents and major executives continue directing retailing by remote control, the larger

stores of this country are going to make a sorry mess of their part in the new prosperity.

Let me indicate why I feel this will be so. Most of us recall the period from 1910 to 1925. It was one in which the problems of the country had largely to do with production.

I suspect, if a mass intelligence quotient could have been obtained in those years, it would have demonstrated that the best brains of the country, by and large, went into the manufacturing facilities of industry.

That era is past. For we found, to our sorrow, in 1929, that this country and the world at large, could manufacture more things at that time than the world had learned how to consume. That was the prime cause of our economic smashup. And so the era ahead of us is definitely an era of distribution.

In it the best brains must gravitate to the fields that have to do with selling. And unless these fields are properly cultivated, the economic system is again slated for a collision with fate.

Let's see how this is. We must recall that as late as 1880 the consuming public of this country was the farmer and the producer of raw materials. In the economics most of us learned as children, we took that as



The retail store is the focal point of our whole system of distribution. Everything fails if it doesn't do its job

axiomatic. A poor year for the farmer, the miner, the lumber man, the fisherman meant a poor year for the country. For ultimately they consumed most of the finished products of industry.

By 1920, 40 years later, the whole emphasis had switched. Nearly 70 per cent of the consuming public were by then people engaged somewhere along the line in the stream of distribution. They were in the transportation system, in the banking and investment business, in wholesaling and jobbing. Finally they were in that enormous consuming group made up of retailers themselves.

All the time, the growth of this new consuming group proceeds. At present through the invention of the new automatic cotton picking machine, we can visualize another 300,000 to 500,000 people taken from the original producing group and placed somewhere in the stream of distribution. That is only a dramatic illustration of what is happening through the improvement of machinery day by day in every producing industry. But there's nothing terrifying about all this, if only distribution can expand rapidly enough so that it can continue to take up the slack by providing additional pay rolls.

### Retailing is the focal point

AND at the focal point of this whole system of distribution is the retail store. I think if Horace Greeley were alive today, he would change his famous piece of advice and say "Go into a retail store, young man." For you see that all the work of the mine, the smelter, the steel mill, the manufacturing plant, the railroad, the wholesaler is of no consequence if the retail store, the final point of contact between the public and finished goods, fails to do its selling job. Conversely, all these steps in the stream of manufacturing and distribution are highly successful to the extent that the retail store is able to sell goods in greater quantity.

When I mention "retail stores," I have in mind largely big retail establishments, for they and they alone, it seems to me, will offer, in this next period of distribution, the real advantages to the consuming public that the consuming public wants. They assemble under one roof goods bought in every state and in every country which is willing to treat its own citizens on a basis of equality. They sell at one fair price to all. They exist over long periods, thus offering stability of continuing contacts with customers.

I have said for years, and I repeat, the department store and the large specialty store, are only at the begin-



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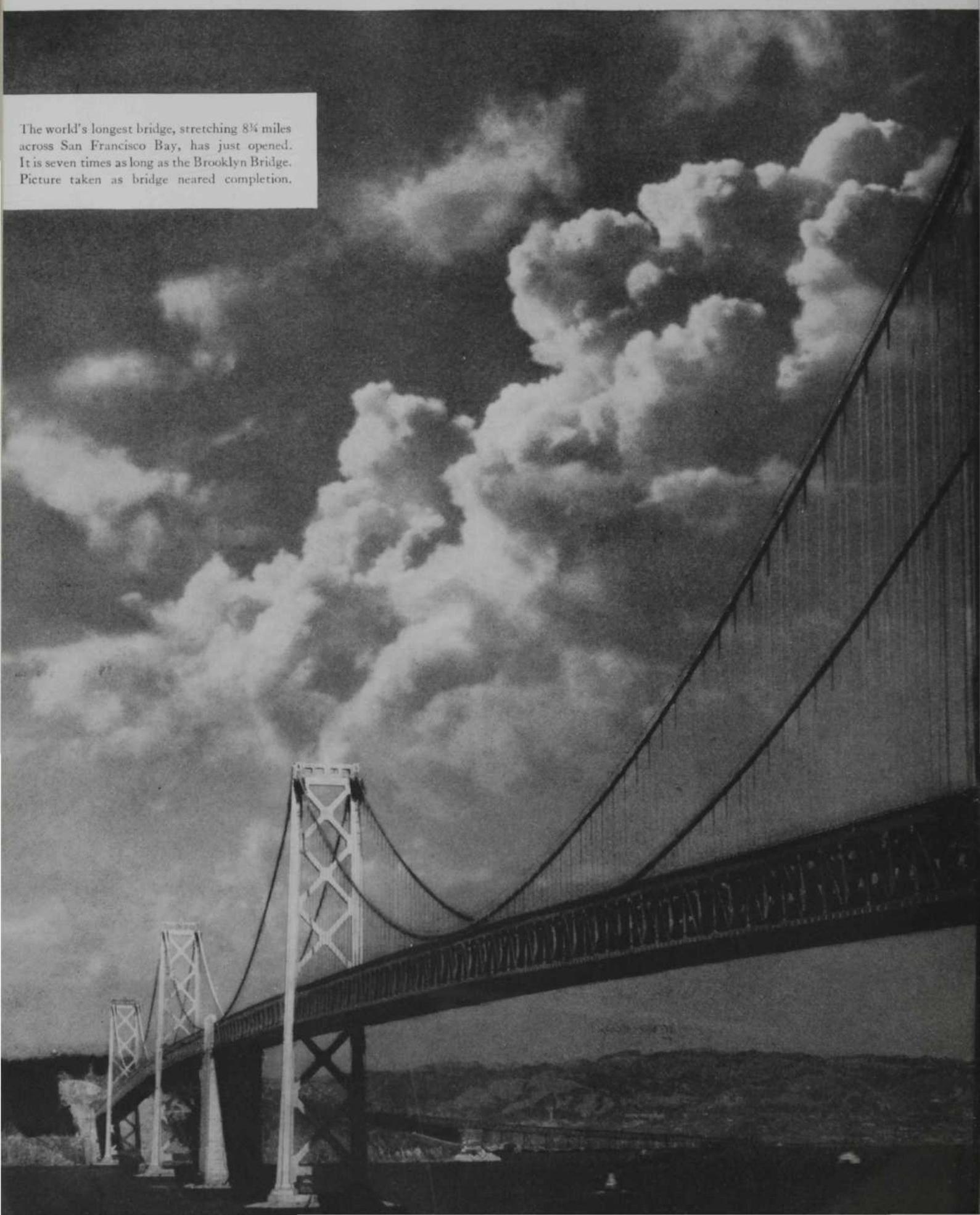
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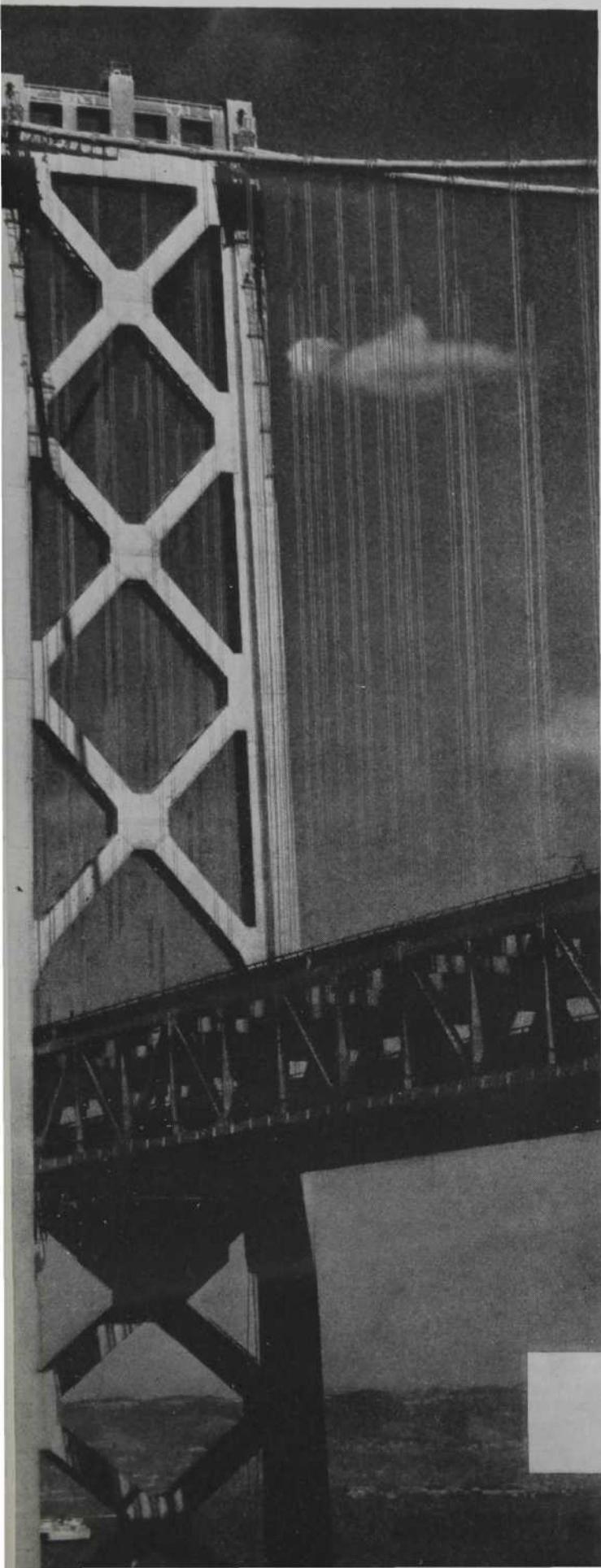
City..... State..... Age.....  
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The world's longest bridge, stretching  $8\frac{1}{4}$  miles across San Francisco Bay, has just opened. It is seven times as long as the Brooklyn Bridge. Picture taken as bridge neared completion.



# . . . STEEL JOINS SAN FRANCISCO AND OAKLAND



IT WAS only 76 years ago folks called Captain Eads "crazy" when he proposed building a steel arch bridge across the Mississippi River at St. Louis.

It was only 64 years ago, when the Brooklyn Bridge was started, that people said, "Men cannot work like spiders, spinning cables in the air."

But those bridges are still standing, and in daily use.

So when the enterprising citizens of the West Coast proposed to span San Francisco Bay with an 8½-mile bridge joining San Francisco and Oakland, California, people didn't say, "It can't be done."

There were great difficulties, it is true—the distance, deep water, quicksand, tides. But once again engineering skill, plus improved steel, made possible what once was impossible. And so this November the world's largest bridge opened to traffic.

Experts say no bigger bridge will be built for the next thousand years. There are no large navigable bodies of water where the traffic is likely to be dense enough to justify the cost of any such bridge. But if bigger bridges should be needed, steel and engineering skill will be ready.

No country can grow faster than its transportation. And as transportation has speeded up and improved, bridge building has kept pace. Its advance has gone hand in hand with the improvements in steel—a continuous process in which United States Steel has played an important part.

A United States Steel subsidiary was awarded the contract for the entire superstructure of the San Francisco-Oakland Bay Bridge. This contract included steel and wire as well as the actual work of erection and cable spinning—the world's largest steel job. This giant structure is not only a steel bridge—it is a United States Steel bridge.

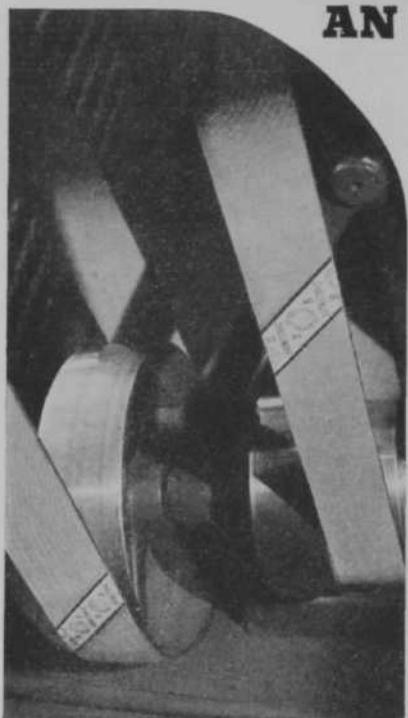
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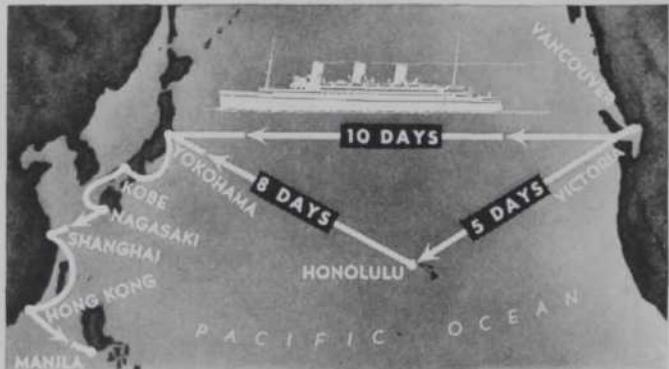
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ning of their possibilities as the greatest purveyors of goods to the world.

There it seems to me is the challenge of retailing. As Americans, we believe in business that grows to bigness because it is serviceable. But it can easily fail if those at the head of it go on with the idea that they are bankers, management experts, scientists in personnel, architects, and mechanical engineers. If they are successful, they aren't any of those things. The word "merchant" implies a man who deals with goods, who understands fair value when he sees it, and who knows how to present these fair values to the public.

This man will forget his present "executive complex," and get down to the real business of retailing.

### Statement of Ownership

STATEMENT of the Ownership, Management, Circulation, etc., required by the Acts of Congress of August 24, 1912, and March 3, 1933, of Nation's Business, published monthly at Greenwich, Conn., and Washington, D. C., for October 1, 1936.

City of Washington, County of District of Columbia, ss. Before me, a Notary Public in and for the state and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the United States of America, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, Raymond Willoughby, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows: President: Harper Sibley, Manager, Sibley Farms, 100 Hiram Sibley Building, Rochester, New York. Vice Presidents: David F. Edwards, President, Saco-Lowell Shops, 117 Milk Street, Boston, Mass.; T. Guy Woolford, Chairman of Board, Retail Credit Co., 90 Fairlie St., N. W., Atlanta, Ga.; Fells M. McWhirter, President, The Peoples State Bank, Indianapolis, Ind.; George W. Holmes, President, First National Bank, Lincoln, Nebr.; Joseph W. Evans, Evans and Company, Cotton Exchange Building, Houston, Texas; Philip J. Fay, Nichols & Fay, Merchants Exchange Building, San Francisco, Calif. Treasurer: Robert V. Fleming, President, Riggs National Bank, Washington, D. C. Secretary: D. A. Skinner, Chamber of Commerce of the U. S. A., 1615 H St., N. W., Washington, D. C.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE  
(Signature of Editor.)

Swear to and subscribed before me this 5th day of October, 1936.  
(Seal)

WALTER HARTLEY  
Notary Public, District of Columbia  
(My commission expires Sept. 15, 1937.)

# Change Rides Up in a Trailer

(Continued from page 27)

tax structure it may be taken for granted that legislation will soon give the house and lot a new advantage.

In any event, the tourist trailer has a long way to go before it threatens our mode of living. If the industry produces 200,000 units in 1937 it will be little short of a miracle. Yet at that rate it would take 100 years to supply half the population.

From the producer's point of view, the trailer business has many attractions. It involves a commodity of substantial price with an ample margin of profit and a public demand which promises adequate volume. For the time being, and for some time to come, if present demand continues, a seller's market will prevail. Neither manufacturing nor merchandising presents any new or perplexing problems. The product, largely standardized as to design and equipment, offers many opportunities for improvement and refinement.

## Business for many

IN THIS connection, automotive experience may be expected to provide some effective innovations. Some of them have already appeared as, for example, the use of steel and aluminum for body construction. Streamlining is appearing. Automotive practice, too, will be invaluable in merchandising and it is already apparent that automobile dealers are a logical outlet for sales.

Beyond the direct confines of the trailer industry, benefits of volume production will be spread over a wide area of manufacturing and makers of innumerable items of equipment will share in the business bonanza. Standard equipment has come to mean beds, ice-boxes, folding tables, cupboards, sinks, water tanks, cooking and heating stoves, electrical wiring and lighting fixtures. Plumbing is sometimes elaborate. Tire manufacturers will enjoy a substantial widening of their market as will the makers of automotive parts.

Larger batteries of increased capacity will be needed for trailer electrical demands and for these, separate charging apparatus.

Time may change the picture, but the present is full of promise. Only the passing of the years will bring into focus the full extent of its possibilities and the true implications of its influence upon our way of life.

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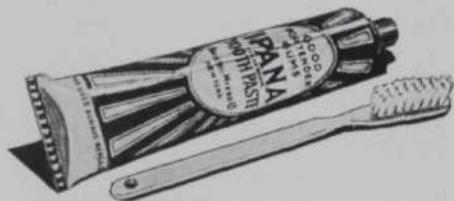
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Your dentist is familiar with Ipana's contributions to better oral health. He knows the dangers of our modern soft food menus to teeth and gums. When he suggests Ipana and gum massage, he's introducing you to a hygiene measure he knows has proved effective in thousands of cases of tender and ailing gums.

#### GUARD AGAINST "PINK TOOTH BRUSH"

If "pink" shows on your tooth brush, go see your dentist at once. Possibly some serious gum disorder threatens. More probably, your gums merely need what modern dentists so frequently advise—more stimulation, greater care, daily massage with Ipana Tooth Paste. But, under all circumstances, you should let your dentist make the decision.



For sounder teeth and healthier gums

**IPANA**  
TOOTH PASTE

## Giving All Shippers an Even Break

(Continued from page 30)  
head of labor, taxes and interest. But he could not exist if he had to sell all his goods at the margin prevailing at the distant point. No more can the railroads.

If the farmer had no wagon of his own to carry his tomatoes he would ask some truckman to shade his price for carrying the produce to a distant market. If the truckman did not help him share the differential between the two markets he might not be able to enter the market.

A like principle is involved when the American farmer sells what he can in the domestic market and then ships his surplus to foreign markets for a smaller profit.

Even goods nationally sold at a uniform price do not and cannot yield the same profit delivered at Seattle as in Philadelphia.

The bill, therefore, is designed to do what shippers, notably agriculture, have clamored for, for years, that is, reduce distribution costs, broaden markets, foster competition, and increase standards of living by reducing costs and increasing the total volume of goods consumed. The bill in its long run effect cannot but tend to reduce freight rates generally and thus benefit 125,000,000 people by bringing the power to consume into better balance with our power to produce.

When the 4th Section was written the railroads enjoyed a practical monopoly in transportation. As always happens when monopoly is unregulated, serious abuses prevailed. I do not defend those abuses then and would not tolerate them now. But we ought not to penalize shippers and railway employees of today with inherited prejudices.

Since the 4th Section was written the Panama Canal has been dug, pipe lines have entered the transportation field, electricity has learned to move "coal by wire," and government financed hydro projects are eating into the soft coal industry whose product once moved by rail. Since then hundreds of millions of tax money have been spent on river and harbor development, the federal Government, with its barge lines, has become a competitor of railroads, federal tax money has built roads in nearly every county, and aviation has invaded the transportation field, aided by federal subsidies.

Since 1887, when the 4th Section was first written, it is computed that the federal Government alone, ex-

clusive of states, has poured \$4,841,000,000 into these competing agencies and their rights of way. A substantial fraction of that enormous sum has come from railroad taxation. Other railroad tax money goes to subsidize rivers and harbors, merchant marine and aviation. Meantime, no aid has been given to the railroads, other than RFC loans, to be repaid with interest.

#### An outdated law

TO CARRY over the 4th Section into the highly competitive transportation conditions of today is a legislative anachronism.

No one, of course, can attribute the plight of the railroads to the 4th Section alone. Nor would I give the railroads a single legislative privilege over competing agencies. I would, however, remove the legislative advantage which competing agencies now have over railways. As Commissioner Eastman has said, "No public regulation should be provided merely for the purpose of protecting one form of transportation against another."

Despite the recovery which the nation as a whole has had since the low point of three years ago, the railroads are still a sick industry. More railway mileage went into bankruptcy and receivership in 1935 than in any previous year. The railroads' ability to move goods, to buy goods, to employ men, to pay taxes, is a matter of grave concern.

In normal times the railroads buy everything from pins to locomotives. When they are not in the market for goods, business and employment stagnate. Twenty-six railroads alone (out of 800) buy from 7,816 companies in 1,661 towns in every state.

The roads normally buy one-fifth of all the coal, iron, steel and forest products of the nation. They normally buy \$2,000,000 worth of linen and cotton sheets; \$1,000,000 worth of crockery; \$2,000,000 worth of gasoline and so on for thousands of items. From 1923 to 1934, good years and bad, railways spent for material and supplies \$13,274,211,000, and in the same period for permanent betterments and additions to plant \$7,587,481,000, a total of \$20,861,692,000. All this is exclusive of pay rolls, taxes and returns to capital, easily 25 to 30 billions more.

The importance of the railways as taxpayers is not to be overlooked. They normally pay \$1,000,000 a day

for the support of Government. Moreover, it is time to give the roads a chance to put back to work thousands of the best working men in America, both in transportation and in the durable goods industries and the coal mines where the bulk of today's unemployment exists.

The repeal of the long-and-short-haul simply places the railroads on terms of competitive equality with other carriers—no more, no less. Other sections of the Interstate Commerce Act remain in full force to prevent discrimination against shippers, localities or competing carriers. The burden of proof to justify proposed rates remains on the railroads. But the repeal will give the railroads a chance to fight for their economic lives on an equal field. Nobody needs to fear a monopoly.

Water carriers and trucks and buses all have an important part to play. Each is fitted to perform some service best. I believe the rails, trucks and ships will be coordinated as we progress. The trucks can best handle a great deal of short haul traffic. But for certain forms of transportation, especially long hauls of fast moving freight, the railroads are indispensable to the prosperity of the entire nation, as well as its defense in time of war.

#### Abuses will still be prevented

IT MAY be asserted that, if the bill passes, ancient abuses will reoccur. They cannot under competitive conditions. Again quoting Mr. Eastman, "The ability of the customer to use alternative modes of transportation" imposes a limitation upon railroad rates and practices that cannot be disregarded.

The bill simply gives the roads the right to file proposed rates for all shipments, the same as they now do for every shipment in which the long-and-short haul is not involved. All rates will be handled in exactly the same way.

If there is no objection, the rates go into effect in 30 days. If there is objection, the bill puts on the rails the burden of proof to justify the proposed rate as fair, just, reasonable and nondiscriminatory within the other provisions of the Interstate Commerce Act.

Even if there is no objection the Interstate Commerce Commission may suspend the proposed rate on its own motion, and may fix maximum and minimum rates as it does in all other cases. The public interest remains fully protected. The Commission will continue to have full power to prevent the rails from doing anything that Congress ever intended they should not do.

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## If Every One Were Fingerprinted

(Continued from page 36)

D. C., and to the Ohio fingerprint headquarters. Luckily, the farmer had his fingerprints on file. His family were located. They came and gave him a decent burial. But he was on his way to the potter's field when his fingerprints saved him from oblivion.

### Protection for insurance

UP IN Erie, Pa., I am told, a man was found dead in his burned automobile. A heavy insurance policy was involved. The company was doubtful, even after a dentist identified the dead man's teeth. But the company paid.

"You'd think the insurance companies would fingerprint their policy-holders for the protection of both parties," more than one fingerprint expert has suggested.

"Think of the rich men who live in constant fear of kidnaping or murder or impersonation. A lot more lawsuits, estate disputes, and mysterious disappearances happen every year than the public dreams of. A good many worries could be prevented and plenty of mistaken identities cleared up if we had the sure information made available by fingerprints."

You and I have lived with our ten fingers for a good many years, but the chances are you never really saw what your fingerprints look like.

You will probably be surprised to find that your ten fingers are not all alike. If you get fingerprinted with members of your family you will be startled to discover that yours and your father's and mother's fingerprints are all different. Fingerprint patterns do not recognize families. Your fingerprints and those of any moron might be superficially alike. Yet, happily, there is a difference.

People can be identified under the Battley system by the print of a single finger, but classifying ten prints for each prisoner is cumbersome and expensive and is done only for known and dangerous criminals. The usual system is that developed by a Scotland Yarmer named Henry and known the world over as the Henry system.

Everybody ought to know a little something about how fingerprints are classified. Not enough to give you a headache, to be sure, but enough to convince you that this is a dependable system and that there is no possibility of duplication or error or confusion.

Fingerprints are classified by a

code derived from all ten fingers. You look first for whorls, or a circular pattern. If the right index finger has a whorl you put down 16. Taking every second finger in both hands you add eight, four, two and one if whorls are present; then you add an arbitrary one, just to make it easier. This gives you a possible 32 for the numerator. You start then with the right thumb and take every second finger, getting a possible 32 for the denominator. If no whorls at all are present you assign that hand an arbitrary value of 1-over-1.

You can have any one of a possible 1,024 subdivisions from this primary classification: 1-over-9, 27-over-18, 30-over-32, and the like. This is the start of the code which designates each man's hand. It can be telegraphed from city to city.

You get your secondary classification by studying the index, middle and ring fingers of each hand under the magnifying glass. If there are loops, you indicate whether they are on the ulnar or radial side of the forearm—on the side of the little finger or the thumb, respectively. Under the glass you count the ridges between the left delta and the core of the pattern. If the ridges on the index finger number ten or more, you mark down an "O" meaning "outer." If the ridges are nine or less you mark down "T" meaning "inner."

### Complications in classification

THUS in no time at all you find yourself talking glibly about patterns that are "inner-inner over outer-outer." You nod understandingly when some keen-eyed Bertillon expert shows you how the fingerprints are filed. You learn about the other patterns; tents, loops, arches and their variations, ten in all. Just when you think you have grasped the subject you discover there are 40 or 50 rules to keep constantly in mind.

For this is indeed a science. You won't understand it thoroughly in a hurry. Sufficient for you to know that if there should be 120,000,000 sets of fingerprints in one place and if John Smith or the famed Addison Sims of Seattle should drop mysteriously dead with no clue but his fingerprints, any police expert could find the right card out of all those millions in a matter of minutes.

But, of course, everybody agrees that universal fingerprinting may be a long time coming. After all this is a

free country. People have their rights.

Police officials have no idea how long it will take to bring about universal fingerprinting, if it comes. They want no hasty law.

"We might start with the youngsters in grade school and high school," suggests one expert. "That would catch most everybody in another generation or so. The youngsters have no prejudice on the subject. Moreover, because new criminals are constantly being recruited from the ranks of schoolboys, we might be able to head off some crime, simply by the moral effect of having every boy fingerprinted."

### Popularizing fingerprinting

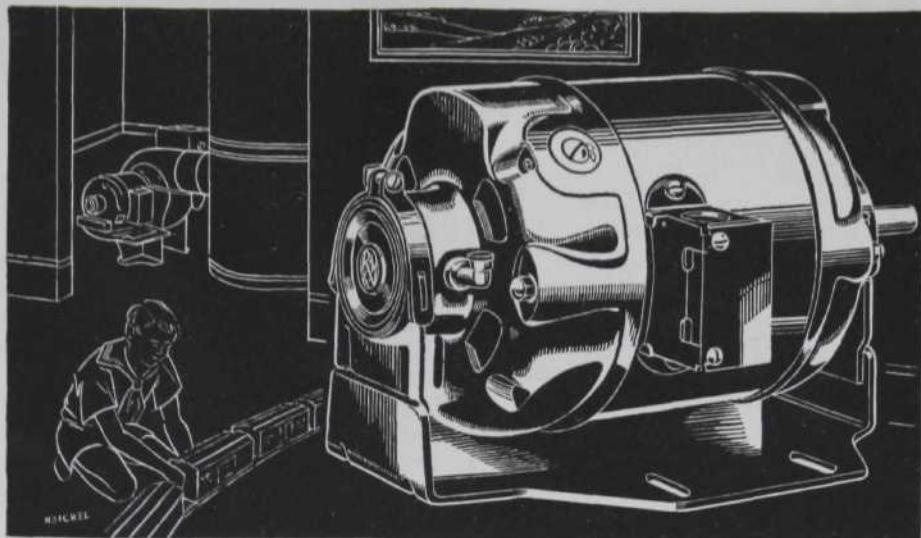
OUT in Berkeley, Calif., the citizens themselves have made a definite effort to bring about fingerprinting of everybody. Already 52,500 sets of civilian fingerprints are on file. The move, at first opposed by employer and workman alike, recommended itself to the public. Everybody helped. Stores displayed a card: "We've been fingerprinted." Some stores gave a discount to customers showing their fingerprint registration card.

It would cost \$120,000,000, Berkeley estimates, to fingerprint this nation. Quite a piece of change, you argue? But, Berkeley insists gently, we spend \$25,000,000 each year to register voters, which is only an incomplete registration. Meanwhile we pay out about \$4,000,000,000 a year in fraudulent security losses, most of which would be avoided if owners of securities were identified by their fingerprints and if the criminally minded were likewise fingerprinted and removed.

Even if you paid out that huge sum to fingerprint everybody, this Berkeley leaflet explains, the estimated annual saving to this country would be \$7,500,000,000! You and I would save money on our automobile theft insurance and on the fire and burglary insurance on our home. Murder would be less. Kidnapping, embezzlement and all other forms of crime would be less frequent.

But you say this is a free country? You jest. The racketeers get their share of your income first, and you live on what is left. You pay invisible taxes of many kinds. You are already regimented, Berkeley reminds you, through census, automobile licenses, professional and trade requirements. Fingerprinting merely makes this registration positive and accurate. Compulsory universal registration would put some kind of a check on wayward people who now have things too much their own way.

Union labor should welcome uni-



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—is a good motor! A quiet one; a rugged, dependable one that will never let you down when cold snaps lengthen out into weeks of subzero weather. If the manufacturer uses R & M motors, you know he has the right idea, for these steady-running motors have a reputation over forty years strong—for making good appliances better. The next time you buy any electric appliance, look for R & M on the motor. Or, if you are a manufacturer, look to R & M! . . . Robbins & Myers, Springfield, Ohio; Brantford, Ontario.

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The first advertisement, "America is a tune . . ." appeared in 18 newspapers August 24. The fifth advertisement, "Business Success is Also a 'Must'!" was published October 26. (See page 96 of this issue.)

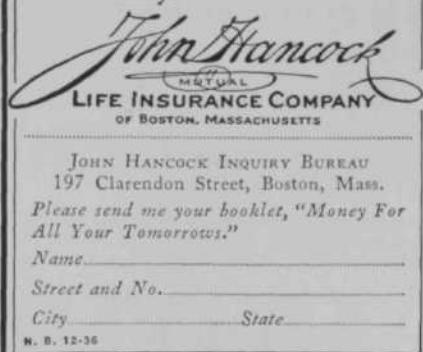
Copies of all advertisements in full page size of these reprints or for use as stuffers in envelopes may be obtained by writing Nation's Business, Washington, D. C.

## Our Checks are easier to accept

Doling out money to parents who must be dependent upon you hurts their pride as much as your sense of the fitness of things.

There's a better way. An income for life, arranged under a John Hancock annuity plan, assures them of our check every month as long as they live. It puts the whole matter on a business basis and makes everyone concerned feel better.

Let us send you our booklet which tells the retirement income story.



### BRIGHT LIGHT alone is not enough . . .



THE old conception of a supplementary lamp was a light bulb supported by a stand and covered by a shade. But FARIES GUARDSMAN LAMP has changed this! It is designed to properly control illumination by flooding the working area with a strong, evenly distributed light . . . free from glare . . . free from shadow . . . a boon to tired, overworked eyes. How is this accomplished? By the use of our exclusive design for both reflector and luminaire, whereby the light is first concentrated within the shade, then properly redistributed to the desk or table top.

See the GUARDSMAN today. If your dealer cannot supply you please write us.

**FARIES MANUFACTURING COMPANY**  
and S. Robert Schwartz, Div. NB  
DECATUR, ILLINOIS

versal fingerprinting, Berkeley adds. It makes the union card positive identification, and it puts the finger on crooked labor leaders who have done so much to hurt organized labor.

The campaign of education is on. At the Dallas Fair, at the Great Lakes Exposition in Cleveland and elsewhere, police politely handed out thousands of souvenir fingerprint cards all summer. Able G-men attend conventions and make speeches about the advantages of civilian fingerprinting. You are urged to visit your local FBI office or police department and have your fingerprints taken and sent to Washington.

The Boy Scouts of America have voted to approve universal fingerprinting. So has the executive committee of the American Bankers Association.

More than one eye has been turned on the stranger in our midst—the alien.

A banker tells me he believes our unemployment situation would be aided by as many as 2,000,000 jobs if the aliens improperly in this country were shipped back where they belong. The relief burden would likewise be eased tremendously.

"We in our country have been foolishly free and easy in not insisting that persons within our midst be unmistakably identified," he says. "Anyone who has traveled abroad is

fully aware of the contrast between conditions there and here in this respect."

An editor in Massachusetts tells me, "I figure Massachusetts could reduce the population of her prisons and her insane asylums and hospitals by ten per cent if we could ship the unnaturalized aliens back home."

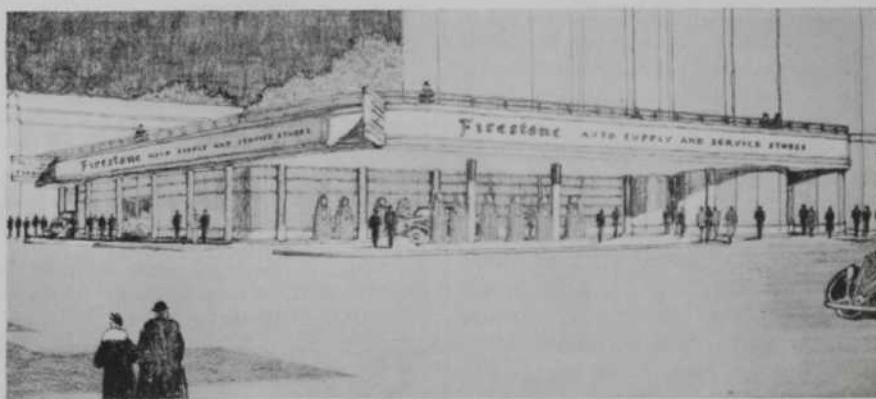
Maybe we'll grow poor enough so that we'll decide to do this fingerprinting and deport the ones we don't want, in spite of sentimentalists.

But this country moves only as the result of gigantic stimuli. We are carefree and indifferent until some catastrophe shocks us. We need something tremendous and exciting now to show us that our crime bill is really billions a year, and that much of it can be prevented if everybody is fingerprinted and the undesirable ones taken care of.

"But don't move too fast," urges the Citizens' Committee on Universal Registration out in Berkeley. "Many of the best people will oppose fingerprinting if you try to rush them."

And so the campaign goes on, slowly and on a voluntary basis. John Smith tells Mrs. Smith. She tells the neighbors. Gradually the good people are signing up. An honest citizen has nothing to lose by being registered at the civilian identification bureau. Your local detective bureau will welcome you.

## BELLRINGERS



## Customers Park on Roof

ONE of the first structures for automobile servicing where the roof is salvaged for parking is planned by Marshall Field & Company for its Evanston, Ill., store. Fifty cars can be parked on the roof, which is reached by ramp. Customers may park their cars in this roof space and walk directly into the second floor of the Evans-

ton store. The ground floor is utilized for servicing and is under lease to the Firestone Tire and Rubber Company.

The Evanston customers can have their cars completely serviced and then parked while they do their shopping.

The cost of the structure is estimated at \$60,000.

# Who Will Save Us From the Parasite?

(Continued from page 34)

enjoy more security, more comfort, and more luxury than any lilies.

The changes which parasites undergo are always in the general direction of degeneration. They lose their organs of sense, of combat, of locomotion, of digestion, or of respiration. The organs which functioned during free living will never more be needed, and according to the well known laws of nature, unused organs atrophy and disappear. Two functions, however, never decline; the one is the ability to abstract nourishment, and the other is the power of reproduction.

## Predators have courage

WHATEVER else may be said against the predatory it can never be charged that they lack courage. They meet their prey, they fight brave battles, they engage in contests of wits as well as of brawn, they expose themselves to grave dangers and serious risks, but it is a contest open and above board. No one has ever had a similar word to say of a parasite.

Mark this—biological history does not present one case of a parasite which gave up parasitism for a free life. The changes wrought in him have made it impossible to return—he becomes inadequately equipped to meet the exigencies of an independent existence. He is irretrievably destined to be a parasite. Thus he is always punished for his sins—largely his sins of omission.

People who are looking for soft spots usually find them—the parasite rarely lacks a host. Nature, however, gets her revenge on the shirker and unmans him. Happiness not earned is like good cheer resulting from drugs or drink—artificial, temporary, and degenerating.

Here lies the danger of gratuitous social security—it is soft and easy and appealing—it is degrading and degenerating and destructive. It is the apple on the lowest bough. The beguiling voice of the serpent heard in the garden and heard down through the ages is heard again today.

"Take thine ease; God is a liar; whosoever eats of the fruit of the tree shall not surely die."

God has never writ anything larger or plainer in the book of nature than that ease and sloth and indolence mean destruction, and whosoever eats of them shall surely die.



*Your cheeks as smooth as mine!*

What a Christmas gift for him—a Schick Shaver with a lifetime of shaving comfort, close quick shaves and never a cut nor a scrape. He will never need lather again nor will a blade ever touch his face.

Each day of his life he will re-

member this Christmas and the one who gave him the greatest single pleasure a man may have in his own personal affairs—comfort in shaving.

Any Schick dealer will demonstrate the Schick for you. If none is near you write to Dept. N.

SCHICK DRY SHAVER, INC., STAMFORD, CONN. Western Distributor: Edises, Inc., San Francisco. In Canada, Henry Birks & Sons, Ltd., and other leading stores. (Canadian price, \$16.50.)

# SCHICK SHAVER

## \$200,000,000

### REFINANCING DONE IN DEPRESSION YEARS

ONLY a strong motive makes investors whose incomes have already been reduced by years of depression voluntarily act to reduce them further.

Yet, thousands of Associated security holders did just that during the past three years. Their motive was insurance against the future.

#### Plan Offered by Company

Under a plan offered by the Company, they exchanged \$200,000,000 of debentures for new debentures of the Company's immediate subsidiary, Associated Gas and Electric Corporation, of less interest or principal amount, or for Company debentures which it is contemplated will pay interest only when earned and not on a fixed basis.

By placing interest charges on this income basis, there is less likelihood of a default in the event of temporary future inability to meet full interest charges.

By reducing annual interest charges \$3,000,000, there is provided an additional margin of earnings which adds to the safety of all debentures. Holders who accepted less principal or interest received in exchange an improved investment position.

**Insurance Against the Future**  
Another serious depression may not occur. But the Company's ability to refinance \$200,000,000 of debentures during the past hard years has resulted in substantial protection against whatever business uncertainties the future may bring.

ASSOCIATED GAS & ELECTRIC COMPANY



# Business Highlights and Sidelights . . .

**Trading in Soybean Futures** BY approving trading in soybean futures, the Chicago Board of Trade on October 5 became the world's first futures market for the commodity. Broker specialists are prepared to give expert service to accounts. Deliveries on soybean contracts will include only United States No. 2 and No. 3 yellow varieties, the latter deliverable at a discount of two cents a bushel. A board committee which studied the problem for eight months, reports the *Paint, Oil and Chemical Review*, revealed that, of approximately 7,000 cars of soybeans arriving in Chicago, in the period comprehended in the committee's deliberations, more than 90 per cent were yellow beans.

**Sales Taxes on the Wane** OF STATES that now have sales taxes in force, 11 administer temporary laws which will expire in 1937. The tax was allowed to expire automatically in Maryland, New York, and Pennsylvania. In Kentucky and New Jersey popular sentiment against the sales tax made necessary its repeal. The sales tax law passed by the Oregon legislature never got onto the statute books because it was defeated three times at referendum elections. Minnesota's law was vetoed by Governor Olson.

Expiration dates will lift the tax next year in Arkansas, Colorado, Idaho, Iowa, Missouri, North Carolina, North Dakota, Ohio, Oklahoma, West Virginia, and Wyoming. Unless new laws are enacted, therefore, 16 of the 28 state sales tax laws will have become inactive by January 1, 1938.

From a study made by the Interstate Commission on Conflicting Taxation, a research agency of the Council of State Governments, it appears that sales tax revenues actually collected varied from 61 per cent to 211 per cent of expected yield. In general, it was found that the most satisfactory way to predict yield was to apply the expected rate to the latest available retail sales figures. The Commission also found that, in general, a three per cent tax could be administered for less than two per cent of the revenue; a two per cent tax for less than three per cent of the revenue; and a one per cent tax for approximately three per cent of the revenue.

This general conclusion is based on an examination of tangible administrative cost, and may not represent the entire cost of administration, "since certain other officials sometimes cooperate

with the administrative agency designated in the statute. The most usual example would be provision of legal services by the state attorney general, compensation for which would not always be included in the administrative costs."

## Portrait of a Partner

LOGIC which sees income and profits taxes as fair because there is nothing to pay unless profit has been earned takes its rationalization stems from the idea that business and government are in partnership, and that no honest partner would object to sharing the profits with the other partner. Conversely, it could be as readily argued that a true partner would be willing to reserve part of the earnings for contingencies, of one sort or another, for improvements, for expansions and the like.

Obvious as the mutual benefits from such an understanding must be, all partners do not qualify as equally reciprocal. How a C. P. A. looks on the public partner of business is disclosed by Robert H. Montgomery, member of the accounting firm of Lybrand, Ross Brothers, & Montgomery, in his address to the thirty-first annual convention of the National Stationer Association in Chicago. Here is a revealing extract:

Sometimes partners are highly undesirable and I have no hesitation in placing the Government as a partner in the unwanted and undesirable class. We had a high excess-profits tax during and after the war. That was when the statement was first made that the Government merely was a partner and you did not have to pay unless you had profits with which to pay. If the excess-profits tax had been even reasonably fair there would have been some truth in the statement, but the law was a mess and the results were what might have been expected from an unsound law.

There were no adequate provisions in the old excess-profits tax law nor are there any in the present undistributed profits tax law for the reserves which must be provided if a business expects to carry on. The Government takes its so-called share of the profits in cash and forces its so-called partner to take the bricks and mortar. If there is a loss the following year the Government partner bears no share of it—what a partner!

## The Lure of Exemptions

TAX exemption of manufacturing machinery is a recognized device for establishing industrial prestige. Massachusetts, New York and Delaware offer immunity on this kind of property.

Several other states grant either par-

tial or temporary exemption. In Maryland it is exempt from county taxation on a county-option basis, without the option to withdraw the exemption once it has been granted. Ten states, two of which are in New England and eight in the South, grant exemptions to some or all new industrial developments for a maximum period of five to ten years after construction. In Philadelphia, Pittsburgh, and Scranton, for example, manufacturing machinery is exempt from city taxation, and no county and state taxes are levied on this type of property.

Tax experts have shown little sympathy with exemptions granted as a subsidy to local industry, whether for the purpose of stimulating the investment of funds which might otherwise remain uninvested or for the purpose of attracting capital from other states, according to Kenneth J. McCarron, president of the National Association of Assessing Officers.

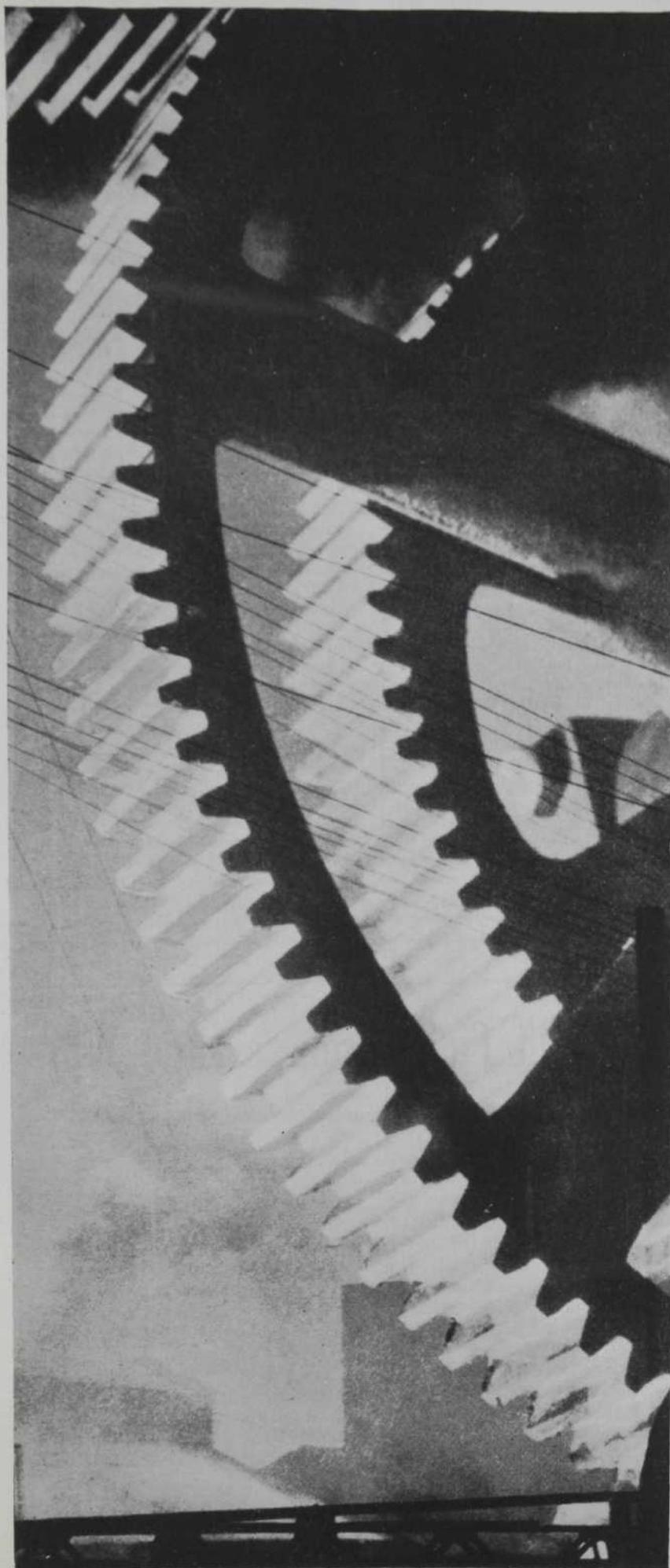
"Such subsidies must, of course, be paid out of funds raised from other taxpayers, and once the bars are lowered, there is scarcely any limit to the possibilities of competitive underbidding among the states."

The efficacy of these tax exemptions as subsidies is also open to question, he adds. Many important factors influence the location and migration of industry, and the tax burden is seldom among them. Manufacturing corporations in the United States paid something over \$500 million in state and local taxes in 1932, of which probably not less than \$400 million were property taxes. Their total expenses, including the cost of goods sold, however, amounted to more than \$33,000 million. A relatively small differential in wages or in transportation costs, he says, is worth more than complete exemption from property taxation, and such exemption is likely to prove of temporary significance in directing the flow of capital from one state into another.

**Taxes in Installments** ALONG with the purchase of automobiles, refrigerators, radios, and household furniture, installment payments may solve tax delinquency.

Raymond Edmonds, city clerk of Beaumont, Texas, writing in the current issue of *Municipal Finance*, says that the true test of the value of any part-payment plan involves an appraisal of its effect on the taxpayer, the city treasurer, and the city's financing program. He believes that most taxpayers would prefer several small payments to one large one. Those who, through habit, wish to pay one lump sum should be accommodated. Frequent payments complicate the work of the treasurer, billing costs may be higher, and clerical expenses greater, he explains, but they also offer greater opportunity for discovering discrepancies in records and for investigating delinquencies before succeeding payments are due.

Installment tax payments provide the cities with funds that heretofore have been supplied through tax anticipation warrants. Frequent payments, says Mr.



## EVEN A GEAR CAN BE DRAMATIC . . .

Mention any industry and you will find in its background episodes that have played dramatic parts in American progress. But you will also discover that misconceptions exist regarding its history, its policies, its industrial status.

The American public may accept the comforts and conveniences of today's existence. Yet, how many Americans have an unbiased picture of the companies and industries providing them?

There is a way to build prestige along with profit. On two notable occasions this year The Sun has provided business with opportunities to tell its story to the people it serves and it provides the same opportunity day after day with its consistent efforts along this line. Editorial work of this kind has earned The Sun recognition as the medium through which to reach a most influential part of the American public.

There is a need for such dramatic effort by American business

**The Sun**  
NEW YORK

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Edmonds, "eliminate or reduce short-term operating loans and save interest costs," but most important, "provide an escape from fluctuating money markets which may cut off or restrict credit or demand an exorbitant interest rate."

**A School for  
Measures**

WEIGHTS and measures inspectors of Virginia have formed the Virginia

Weights and Measures Association, announced purpose of which is to increase the effectiveness of weights and measures work through a five year course outlined by the National Bureau of Standards. The League of Virginia Municipalities serves as secretariat of the association, whose members check on the accuracy of the grocer's scales and the gas-station pumps.

The Virginia League pioneered with training schools for local government officials and employees with a police school in 1932. Since that time the program has been expanded gradually to include police chiefs, building inspectors, waterworks officials, weights and measures officials, policemen and firemen. Several thousand municipal employees have registered for the schools, which have been held in all sections of the state. The League has laid tentative plans in conjunction with the State Division of Trade and Industrial Education not only to continue the schools established to date, but gradually to expand the in-service training program to include practically all municipal officers and employees.

**Cities Hawk  
Real Estate**

NON-PAYMENT of taxes has put Boston in the real estate business, and the Boston Municipal Research Bureau advises making a permanent and separate agency of the real estate division cre-

ated in the public buildings department.

Management of municipal real estate, says Elton D. Woolpert, of the International City Managers' Association, has been one of the most neglected phases of local administration, although municipal buildings, parks, and playgrounds represent vast land holdings. A private institution would consider their management a major function, but few American cities have even a complete list of their holdings.

By rentals or leases the municipal real estate office can turn into sources of revenue the city-owned properties which are being held for advantageous sale. Milwaukee collected \$40,000 for the city treasury in this way in 1935. It can improve on the disposal of properties. Instead of holding the customary auction, which frequently disposes of property at a loss, the competent real estate agent will have on file prospective buyers he can notify or, by checking against the city plan and against estimates of future needs, it may be found that a profitable exchange of property can be made instead of an unprofitable sale. One city not only collects rents on foreclosed improved properties but lets out, rent free, vacant lots for gardens to people on relief, thus eliminating the expense of cutting weeds and keeping the lots in good condition.

Small cities as well as large ones may profit by having a real estate office according to Mr. Woolpert, although in the smaller ones a part-time official may suffice.

Extent of the city's holdings and the volume of its real estate transactions, rather than the population, are the determining factors. Asheville, N.C., with a little more than 50,000 population, is the smallest city to have a full-time real estate agent at present. Other cities which have them are: Milwaukee, Newark, Rochester, Los Angeles, Chicago and San Francisco.

## You Can't Fight Progress and Win

(Continued from page 48)

yield a profit on a fast turnover, they were added, but not until 1935 was anything except automobile accessories handled.

"Bring something to our organization that we can sell," was the uppermost thought. In May, 1935, a franchise was offered, and accepted, to handle a nationally advertised line of car and home radios.

Confidence was not misplaced. Sales on these items alone totalled \$13,000 in the remaining seven months of 1935.

This in itself was a profitable venture, but, more important still, the company's tire sales increased measurably over 1934. This achievement was ably assisted by a campaign of newspaper advertising, for which \$5,000 was appropriated and used in

1935. The results in dollar sales and net profits are interesting as they show how increased advertising under favorable conditions increases both sales and net profits.

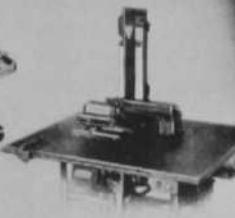
On a \$2,500 advertising program, sales for 1934 were \$78,000. In 1935 total sales jumped to \$112,000, under a \$5,000 appropriation. While the 1934 schedule applied 3.2 per cent of sales to advertising, the 1935 schedule used 4.6 per cent of total sales, an increase of 1.4 per cent. Therefore, this 1.4 per cent addition to advertising, in a large measure, raised total sales by \$34,000. The net profit on total sales for 1935 was seven per cent.

These results were proving the value of diversification. With a well developed sales organization already established, other lines could be

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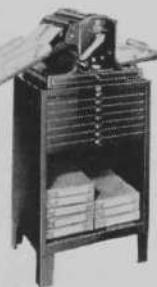
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added without plant expansion. In January, 1936, the company acquired a franchise for a complete line of nationally advertised electric appliances. Radios, too, were merchandised in a broader way, with two nationally advertised lines in every model and price range.

Here, again, advertising played an important part in achieving sales with a profit. This year the company will spend \$7,000 in newspaper advertising, and the goal of sales, which will be achieved, is \$175,000. This dollar increase in advertising, significantly, is lower in percentage than last year, yet both sales and net profits have shown marked gains. For example, gross profit on sales in the four months ending September 1 has climbed to an average of 41.8 per cent or a net profit of 12 per cent.

**Good turnover is made**

ALL the lines carried give approximately five complete turnovers a year. Overhead on appliances and tires is about the same. While the gross margin is much higher on appliances than tires, the latter is partly equalized by the fact that tires are sold at the store on the general program, through advertising, whereas appliances require the additional cost of salesmen's commissions. The advertising appropriation is paid by the company, and does not include cooperative advertising by manufacturers covering products sold.

Everything in the organization, from merchandising to service, is sold on the budget plan to those who desire these terms. The company carries its own accounts covering all goods sold that are payable in one year. Merchandise sold on longer terms is handled through finance companies.

This program of diversification thus far has been a marked success in the H. B. Shank organization. It is rapidly approaching a fully rounded plan, that is to say, it will include appliances and equipment for the car and home that will provide an even spread of sales throughout the year. The same people who buy and use automobiles are the present and future customers for electric refrigerators, ranges, heaters and other appliances.

Further to achieve this end, the company lately added coal stokers and oil burning equipment to its lines. Plans are now complete to include air conditioning equipment in 1937. The goal of sales for next year is \$250,000.

"Diversification solved our problem," said Mr. Shank, "and along with it we will sell more new tires this year than we ever sold before."

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Accumulating information from hour to hour or from day to day is not uncommon in business. Sales figures by commodities are frequently assembled in this way, as are also railroad passing car reports. At the close of the day, week or month, copies of these figures are made for all concerned.

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# PAINT

And famed Chocolate Avenue intersects renowned Cocoa Street...on a Pennsylvania Dutch hillside.



Milton S. Hershey lived his boyhood years on a farm near Harrisburg, Pa. When, in manhood, his confectionery business in Lancaster, Pa., began to prosper he began to think more frequently of those years—and that spot near Harrisburg. Thirty years ago he returned to that spot—and brought as a companion, an idea. That idea grew into a chocolate company—the world's largest; a city, one of the world's most unique; and a philanthropic system of orphan training, one of the world's best. Thus Hershey, Pa.—“Chocolatetown”—became dream-come-true-town and a world-famed achievement.

Hershey management is also noted for its achievements. The famed Hershey chocolate bar comes from a factory amazing in its production capacity; noted too for its clean, spotless atmosphere. Sherwin-Williams Save-Lite White, and other S-W finishes help create this atmosphere. In the recently completed windowless office building (shown above), Sherwin-Williams colors are properly chosen for the air-conditioned interiors. Barns and houses on the Hershey Farms (suppliers of milk for Hershey Chocolate)—again Sherwin-Williams Paints. And Hershey's famed hotel, a Mediterranean gem on a Pennsylvania hilltop, carries its “Wet Paint” signs with an S-W signature.

Almost every painting problem you can think of is met at Hershey with Sherwin-Williams Paints. “All you need to know about paint is Sherwin-Williams.” And all we need to know is your painting problem. Write The Sherwin-Williams Company, Cleveland, Ohio.

**SHERWIN-  
WILLIAMS  
PAINTS**



## Mail at \$220 a Pound

(Continued from page 38)  
order, rather than to attempt to disillusion this would-be maker of Yuletide whoopee.

A modest credit seeker, in every sense of the word, gives these definite instructions in regard to the clothes he is ordering:

When you send the suit I want on the budget plan, let it come this way. Pants first, as these are most important to me, then the vest, and last of all, after I have paid for everything, the coat. I don't often wear a coat anyway.

A gentleman of the cloth, who wishes quick action but not without offering something in return, writes:

Help me out with my battery troubles, and if you are a single man I will marry you free. If you have an anniversary of any kind, I will make a speech. If I hear you have passed on, I will sing and pray at your funeral. All of these things, or any of them I will do if you will only get a battery to me in a hurry.

Several customers have shown their gratitude to the firm for favors done by lapsing into poetry. The first stanza of one of these paens of praise runs:

'Tis a popular illusion  
That has led to much confusion  
This idea that corporations have no  
souls;

I was led into believing  
They were hard past all conceiving  
And as cold and icy as the earth's two  
poles.

From New England, in midwinter, a woman writes:

I wish you would tell me just what it is about your catalog that has hypnotised my husband. Being a farmer, he must of necessity, rise early, work hard, and go to bed early, but last night, after he received your catalog, he sat up and read it till almost midnight in a cold kitchen. Any Judge having to warm his toes, as I did, after he finally got into bed, would I am sure have given me a divorce then and there. But instead, here is the order he compiled as result of his evening spent with you in Baltimore, through your catalog.

Another husband's toes enter even more specifically into this testimonial:

Your steel toe shoe saved my husband's toes. He works in the steel plant. On Jan 2, order went out to get steel toed shoes. I saved money and sent to your Company. On Jan 13, a large casting dropped on my husband's foot, cut-

## Coming in January

★ ★ ★

### Glorifying the American Home

By Donald MacGregor

The forward-looking members of an industry which has continued to lag while others prospered have developed a plan combining showmanship with salesmanship to inspire customers to buy.

### When the Co-op Moves to Town

By Leslie G. Moeller

Can the consumer-cooperative prosper in the city as it has, in many places, in small towns? Here is an appraisal of the possibilities based on cooperative experience in a city of 140,000.

### Our New Judiciary

By Felix Bruner

A committee of the American Bar Association, after a careful survey, finds that 73 federal agencies are exercising judicial power in 267 classes of cases affecting business men. In these cases where the same body acts both as prosecutor and judge, the possibilities are interesting.

### Their Lives Belong to the Factory

By Arthur Goodfriend

A first-hand view of a Russian factory, how it handles personnel problems, rewards good workers and disciplines the slothful.

### A Coach to Fortune

By Herbert Corey

Story of a youth movement with a commercial tinge in which 350,000 youngsters are taking the hard way to learn craftsmanship.

ting toes just a little. The shoes were ruined, but his toes were saved.

Rascality creeps into the correspondence occasionally. The most daring, but at the same time most ludicrous of these attempts at fraud, was by a man who sent in a check drawn for \$10,000 to pay for a \$3.60 order, with the request that the balance be mailed to him. His check proved to be worthless.

But showing the better side of human nature, there is this poignant example of honesty:

I am serving a life sentence at New Hampshire State Prison. My income for the whole month of April was \$2.50. Tonight I received check from your company for \$8.79 which is more than the pay of three months to me. But this does not belong to me, so I am returning it to you.

From a repentant sinner we have:

This letter concerns a washer that I bought from you about 10 years ago and I never paid for all of it and I sold the washer and one time one of your men came to my home looking for me but he didn't have the right name, so I lied and played dumb, but God didn't forget and He followed me up, now I have become a Christian and God said write, so here it is now. I have been living on Relief but have went to work and will pay this off just as soon as I can. I am very sorry I have done this and am making the crooked paths straight as far as possible, for I want the Lord to use my life for His service.

When we come to the letters charging mistakes, some of these are rather hypercritical to say the least. A case in point runs as follows:

Your jaw traps are no good. I bought mine for minks and told you so at the time, but all it catches is field mice. I am sending it back to you, send me one in place of it now for crows.

Another complainant writes:

Your washing machine may be all right for clothes, but it is no good for live chickens. I lost five of my Leghorns trying to clean their feet and feathers up so they would look pretty for market. You ought to warn others.

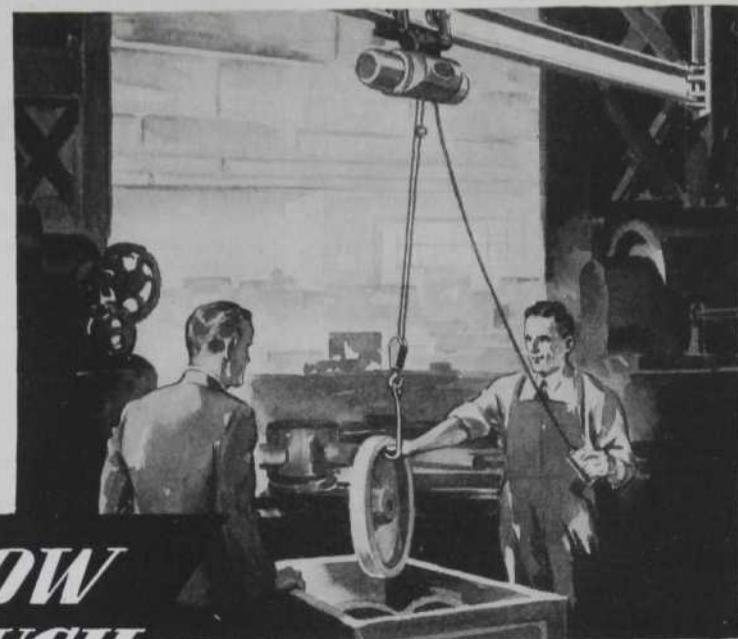
Of course genuine mistakes are made, too. The best remembered of the firm's boners was when the large shipment of skis went to Florida instead of to the Northwest, for which portion of the country it was intended.

A slight suspicion of polite sarcasm is found in some of the letters calling attention to other errors made. A Virginia farmer writes:

I have tried every way I know of to make the horse collar you sent me work on my Model T. Ford, but it don't seem to fit right. Am returning it at your expense, and will kindly ask you to send me the carburetor at the same price, which is, after all, what I ordered in the first place.

But there is no sarcasm in this last plaint. The matter involved is of too grave a nature. It reads:

What has become of my abdomen, ordered May 18th. I have been without one now for over five weeks and need it badly.



## HOW MUCH DOES IT COST YOU TO DO WITHOUT "SPOT HANDLING"?



The facts about "spot handling" are in this new folder. Write for Bulletin H-2.

● You're paying too much if you still use old-fashioned chain blocks in busy zones around machine shops, foundries, welderies, assembly lines, etc. It's a *saving* to install Zip-Lifts—not an expense! The lifting and moving of heavy pieces become a one-finger, push-button job with this small electric hoist. It's fast, safe, stops accurately within a fraction of an inch for precise positioning of work. It can speed up production, relieve workmen of fatigue, save enough time and money to pay for itself in a few months. The sooner you discard old methods, the more money you save. Why delay? Ask for full details about "spot handling."

## HARNISCHFEGER CORPORATION

4430 W. National Ave.

Established 1884

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*Stop waste with "Spot Handling"*

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**THE LANCASHIRE INDUSTRIAL  
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or the Travel and Industrial Development Association of Great Britain & Ireland, 6, Arlington Street, London, S.W.1., 28 Avenue des Champs Elysées, Paris and British Empire Building, Rockefeller Center, New York.



The National, State and Local Tuberculosis  
Associations of the United States

## New Battle Lines Are Forming

(Continued from page 16)  
favor of it has properly crystallized.

I realize that it is far-reaching and that proper care and consideration must be given to it; but I want a committee hearing on it as soon as possible. The same educational campaign which was successfully applied to the Robinson-Patman Act will automatically apply to this bill. We will have a strong organization to start with. We have the support of the same groups as before, and will have additional strength.

I believe in selling things to the country, and not necessarily to Congress. Congressional sentiment always coincides closely with public sentiment. When a proposition has been sold to the people, it is not necessary to guess which way the members of Congress will vote.

In sounding out sentiment in regard to this proposed bill, I sent out 1,000 queries, containing copies of the bill, to interested persons throughout the United States. Replies from some of them have convinced me that exemptions would be necessary for smaller manufacturing concerns.

Here are some typical reactions:  
From a wholesale grocer:

Ordinarily I am opposed to the Government's interfering with business; yet, on the other hand, when certain types of business get so large and powerful, it is necessary for the public welfare, that they be curbed. I am in wholehearted support of your stand to prohibit manufacturers from retailing, so that big business cannot dictate to manufacturers. According to my belief, retailing by manufacturers tends to monopoly, and if your bill is passed, which I think it will be, it will prohibit monopoly.

From an independent service station owner:

In your studies for this bill, you have undoubtedly been impressed with the unfortunate position of the independent service station operator, who has been faced with the rapidly-growing competition of the oil-company-owned stations, which are expensively constructed and operated at a much higher cost than that which is allowed the independent dealer in his gasoline margin, or commission.

From an independent fur retailer:

Let me state that there are more furs sold at retail by manufacturers in proportion to the total volume of trade than there are retail sales by other manufacturers in proportion to their volume. These manufacturers are saying the Act would not have any force with them, because furs sold by them at retail could be both manufactured and delivered within New York state and, as there would be no interstate shipment, federal law would not apply. They are also saying they would arrange to sell through

retail establishments which their friends or relatives would set up. If the desired results cannot be obtained, why not drop the matter until such time as a change in the Constitution would permit federal regulation of matters that are not interstate. I appreciate what you are trying to do, but can assure you it will not be accomplished by the anticipated piece of legislation. In my opinion the three lines which would be most affected are furs, hosiery and furniture.

Incidentally, my correspondent is probably mistaken. If a dealer, under the proposed law, should do any business outside of the state, even with one customer, all his dealings would become subject to the Act.

From a merchandise broker:

I think you are on a hot trail; the only thing I don't understand is, why not put it into effect 30 days after it is enacted.

From an automobile supply company:

Unquestionably the Meat Packers' Decree set a good precedent, and we see no reason why the precedent should not also apply in many other lines of business that are rapidly being monopolized by large interests. We know we are expressing the sentiments of thousands of other people, entirely aside from selfish considerations as merchants, and will look forward with great interest to your introduction of this proposed legislation.

From a student of economics:

A bigger step would be a bill to take the manufacturers out of the raw materials production business and the transportation business; in other words, separating steel and oil, manufacturing and refining, from iron ore and crude oil production and transportation. It is good practical politics to obtain the easier step first. This easier step will be agitation for the next step.

Another step which would aid in protecting, for all time to come, independent business that is locally owned and operated, would be enactment of state legislation modeled along the lines of the Robinson-Patman Act. I am now submitting a model state bill to interested people all over the country in order to obtain their views upon it.

I am also contemplating introducing at the next session of Congress a bill designed to remove discrimination against local merchants in favor of absentee distributors, and enable a state to receive additional revenue on transactions now escaping taxation. In other words, mail order firms would be required to pay to the federal Government sums equivalent to state sales taxes or excise taxes when their goods are sold in states having such taxes. It is my idea that these federal collections should then be returned to the states.

Regarding the Robinson-Patman

**GANNETT****NEWSPAPERS**

# The Urge for Better Things



Newspapers more than any other educational agency stimulate the desire of the American people for the better things of life. Gannett Newspapers give their 2,000,000 readers information about new fashions, new automobiles, new varieties of food and a thousand and one things which add to the comfort and convenience of the home. Entering the homes of the communities they serve as old and trusted friends these newspapers speak with authority in their news, editorial and advertising columns. They have earned the ultimate in reader confidence and that is why manufacturers and merchants find it profitable to use them to tell about the better things and the better services they have to offer.



## THE GANNETT NEWSPAPERS

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# Business

# Success is also a "MUST"!

**T**HE heftiest problem that harries the thoughtful American business man is *the responsibility to be successful.*

If he fails in that basic duty everything else in the business picture becomes academic detail.

You can't blink the fact—his success is a "must" for *your sake*, as well as his own.

Why? Because only a business that takes in more than it pays out can hope to keep going and meet payrolls.

And only a going business can support the flock of other businesses that depend on it for orders to keep their men and machines going.

Finally, only a successful business has the surplus money it takes to work out improvements in products and values which insure future jobs.

During depression, only those companies fortified by success are able to carry employes by dipping into reserves built up during prosperous times.

The extent to which American private enterprise did dip into reserves during 1930-34—totals by latest estimate some \$26,600,000,000.

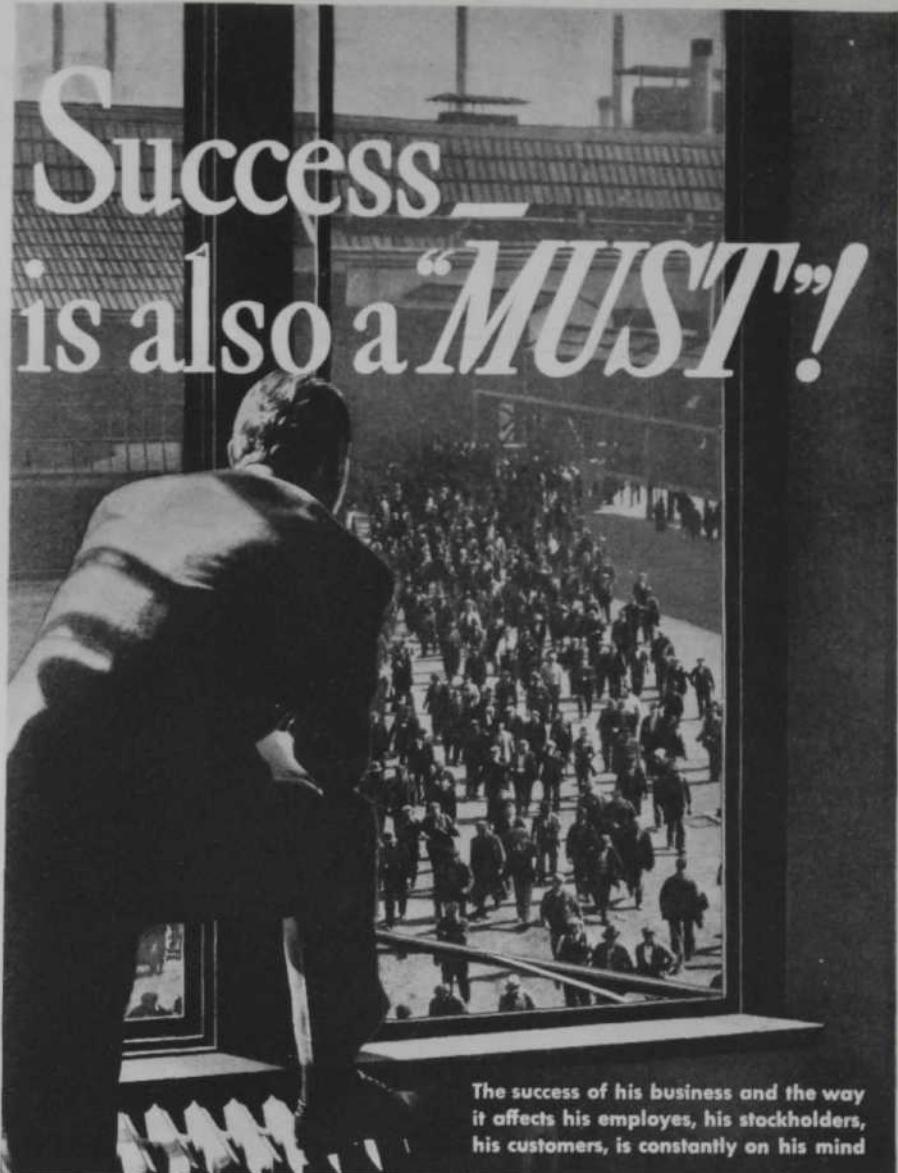
That's the amount paid out, over and above income, to keep plants going and men at work.

In other words, *industry voluntarily contributed more than twice what the Government spent for "priming the pump"*—not to mention the fact that business earned its money, whereas Government money comes from borrowing and taxes.

This shows in cold-turkey figures why business success is a "must."

So also does the illuminating fact that 40,000,000 stockholders and their dependents have a stake in and directly benefit from ownership in American business.

All of these people—all the millions of gainfully employed—all Americans including yourself, no mat-



*The success of his business and the way it affects his employes, his stockholders, his customers, is constantly on his mind*

ter where you live, what your work or how you do it—have not merely a casual but an acute meal-time interest in seeing business in this country go ahead!

#### Business Raises Living Standards

Only 35 years ago there was but one insurance policy-holder to ten people—today, every other person in America has a life insurance policy.

There were only 1000 radios in 1920—in 1935, the number of families with radios was 22,869,000.

In 1913, there was one bathtub to 10 people in American towns and cities—fifteen years later there was one to every five people.

Thus have people enjoyed increasing abundance of things in America, a business nation.

*This advertisement is published by*

## NATION'S BUSINESS

*in a number of newspapers throughout the country.*

Our subscribers will recognize in it the spirit by which Nation's Business is guided and the purpose it serves—to encourage straight thinking about business and a better understanding of its relations with government.

Law, my counsel to business men of the nation is to obey it implicitly. The official of the venturesome corporation may well consider the many ways that this Act can be enforced. The Federal Trade Commission may issue a cease-and-desist order, which, if violated, will permit punishment to be inflicted. The Department of Justice may obtain injunctions against violators of the Act. The United States District Attorneys all over the nation may obtain injunctions against violators of the Act.

Either a cease-and-desist order or an injunction may be used in evidence by an injured party in a civil suit for three-fold damages, interest, costs, and attorney's fees.

#### A wider "twilight zone"

UNDER the NRA big manufacturers had only a few people to contend with in each group. However, in the case of the Robinson-Patman Law, there is no particular person or group of persons that anyone can go to and receive an interpretation of the law in his efforts to go through the "twilight zone" that would be binding on other agencies that entertained a different view. I commend the Department of Justice and the Federal Trade Commission for their efforts in seeking jointly to enforce this law. They are making rapid progress, working shoulder to shoulder, in that direction.

I firmly believe that the Robinson-Patman Act is constitutional, and this belief is shared by others who have studied the law seriously, including Dr. Melvin T. Copeland, economist and professor of marketing at the Harvard Graduate School of Business Administration, who said:

The Robinson-Patman Act is an amendment to the Clayton Act, which has been upon the federal statute books for 22 years. The constitutionality of the Clayton Act seems to be beyond question. The Robinson-Patman Act hardly can be unconstitutional merely because it restates a section of the Clayton Act in order to render it enforceable. The provision in the Robinson-Patman Act which makes buyers share with sellers the responsibility for violations of the law is in harmony with precedents established in the Interstate Commerce law for common carriers. Hence, the broadening of the Clayton Act in this respect gives no ground for challenging its constitutionality.

However, Section 3 of the Robinson-Patman Act is a criminal provision, and does not become a part of the Clayton Antitrust Law of 1914, or the Sherman Act, but stands upon its own bottom.

Possibly it will be interesting to know the reasons why this law was passed. Evidently there must have been good and sufficient reasons or such a highly controversial bill of

major importance could not have been passed in such a short time.

A special congressional committee, of which I was chairman, uncovered the fact that a few large national corporate chains were coercing and intimidating manufacturers into giving them enormous rebates in the form of pseudo brokerage and misnamed "advertising allowances," which permitted these large concerns to destroy their independent competitors. One of these concerns received \$8,000,000 a year in such allowances, which represented one-half of its net profits for that year.

This committee further discovered that large corporate concerns were rapidly gaining control of certain lines of retail distribution; that, as one line of business was taken over by these national corporate chains and the favored locations in the nation were taken for such a line of business, another line would be taken over and immediately a campaign would be started to obtain all the favored locations for this line of business, until in certain lines of business a few large concerns have practically a monopoly in the most favored locations. These disclosures convinced me that the day of the independent merchant was gone, unless a law was passed to protect independent merchants.

A letter from George J. Burger, Secretary-Manager of the National Association of Independent Tire Dealers, with headquarters in New York City, outlines some of the specific improvements which have actually already been accomplished as a result of the enactment of the Robinson-Patman Act:

For the first time in many years independent tire dealers of the nation see a future in their own individual business. Just 12 months ago, a small tire manufacturer in Pennsylvania, writing to his dealers, stated that the outlook was very black; that smaller manufacturers were willing to cooperate with the smaller independent tire dealers, but the "Big Four" were still carrying on a freeze-out policy. He wrote me recently that his factory is now practically sold up on its production, and positively could not take even one more distributor who would require as few as 25 tires a day.

The same letter also referred to cancellation by a large tire company of a long-time contract which had been made with a large mail-order house, and added that this cancellation meant re-alignment with independent tire dealers as well as employment of additional salesmen. Mr. Burger also wrote that other large tire manufacturers are following suit in cancelling similar contracts, and that these firms also would again solicit the independent tire dealers' business, and, in doing so, employ additional salesmen.



#### First choice for economy say industrial users

Interfold tissue—the type originated by Onliwon in 1906 is the first choice for economy with 78% of its users among more than 100 factories checked in a recent impartial survey. Not only does the Onliwon dispensing cabinet contribute to the economy of this famous Onliwon Tissue, but it effectively safeguards the cleanliness and purity of its contents up to the actual moment of use. Phone your local Onliwon representative today and learn at first hand the advantages of this high quality tissue that has proved so economical in thousands of installations. Or, write for samples to: A.P.W. Paper Company, Albany, N. Y.

**A.P.W.**

## Onliwon Tissue

### AMAZING, NEW KNEE ACTION *Shaving*



Ball bearing Knee-Action permits razor to follow the contour of the face—giving an incomparably smooth, even shave. It solves tender face troubles.

Shave as often and as close as you like without skin irritation. You experience the most comfortable shave you ever had. Leaves the face like velvet. It's sensational—a different kind of a shave. With all this, the cost is nominal.

#### GOOD BLADES LAST INDEFINITELY

because of the Knee-Action of the razor head. Blade can be adjusted instantly for close or light shaves. Razor head locks and cannot turn while shaving as with ordinary double edge razors. New blade guard design makes razor self-cleansing. Impossible to cut yourself if you follow directions. Takes any standard double edge blade, so you can use your favorite blade.

#### INTRODUCTORY OFFER

Costs Nothing to Try It. Send \$2.00 or your name and address on your business letterhead. A Ryley Resilient Razor, complete with 20 special blades (a year's supply for this razor) in air-tight bakelite case will be sent promptly, charges prepaid. If found as represented, send check for \$2.00. Otherwise return razor to us within 15 days. Don't miss this shaving thrill! Liberal discounts for quantities— $\frac{1}{2}$  dozen or more. You take no chances. Do not pay for it unless as represented.

Delight your friends and business connections with a gift of this Knee-Action Razor. Fully patented. Nothing like it in the world. All ages, both men and women, as well as men, are enthusiastic about it.

Razor Products Corp., 521 Citizens Bldg., Cleveland, Ohio

**Ryley RESILIENT RAZOR**



## By As Little As 3/100,000 Inch

A MEASUREMENT that is finer than the one-hundredth part of a human hair. This man measures the expansion, by heating, of a piece of metal. If this expansion deviates by as little as 3/100,000 inch from the expansion of the material it is to match, only failure can result. Such precise measurements made possible the new all-metal radio tube.

Measurements of equal precision, in General Electric laboratories, are fundamental to the further development of quality in design and manufacture of General Electric products. Careful measurements made possible the hermetically sealed G-E refrigerator, with its lifetime dependability and its low-cost operation. Precise measurements, by G-E scientists, of electric currents in vacuum tubes have led the way to present high standards of radio reception.

These are but a few examples of the contributions of scientific research and engineering in General Electric laboratories in Schenectady—contributions which have stimulated new industries, increased employment, and provided greater comforts of living.

*G-E research has saved the public from ten to one hundred dollars for every dollar it has earned for General Electric*

**GENERAL ELECTRIC**

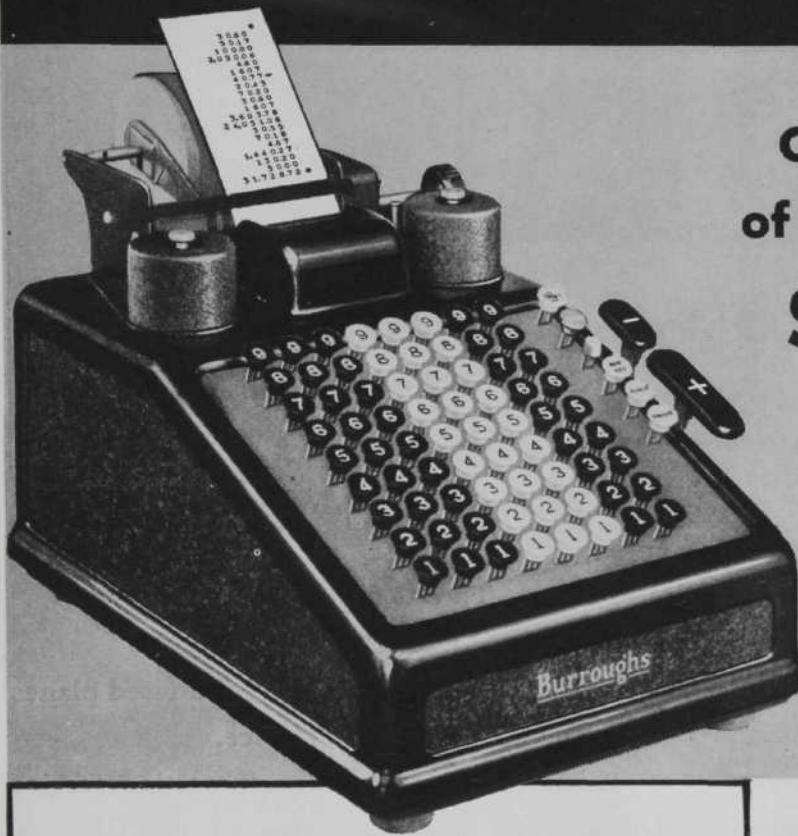
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# Burroughs

## SHORT-CUT KEYBOARD



### SPEED—with fewer motions

The short-cut way is simple and practical. It saves operations in handling both small and large amounts. With fewer motions, the work goes faster. With less to do, there is less chance for error.

Let the Burroughs representative show you in your own office and on your own work what these savings can actually mean to you. Telephone the local Burroughs office or write for free, illustrated booklet entitled "Short-Cuts that Save Valuable Time."

BURROUGHS ADDING MACHINE COMPANY  
DETROIT, MICHIGAN

ADDING, ACCOUNTING, BILLING AND CALCULATING MACHINES  
CASH REGISTERS • TYPEWRITERS • POSTURE CHAIRS • SUPPLIES

**Only on a keyboard  
of this type can you do  
SHORT-CUT  
FIGURING**

*
1 0 . 0 0
5 . 3 6
1 0 . 4 5
2 5 6 . 0 0
6 , 7 1 2 . 7 0

**1 0 . 0 0**

On the Short-Cut Keyboard there is no cipher key. Ciphers always print automatically. The amount 10.00 was written by depressing the "1" and the motor bar—*both in one operation!*

**5 . 3 6**

On the Short-Cut Keyboard two or more keys can be depressed at one time. Thus, 5.36 was written by depressing the "5", the "3", the "6", and the motor bar—*all in one operation!*

**1 0 . 4 5**

Four digit amounts are easily written the short-cut way. The "1", the "4", the "5", and the motor bar are depressed—*all in one operation!*

**2 5 6 . 0 0**

The Short-Cut Keyboard saves operations in writing larger amounts too. The "2", the "5", the "6", and the motor bar are depressed—*all in one operation!*

**6 , 7 1 2 . 7 0**

Many operations can be saved in listing large amounts on the Short-Cut Keyboard. In this instance, the "6", the "7", and the "1" were depressed in the first operation; the "2", the "7", and the motor bar in the second operation. Thus, this large amount requires *only two operations!*



## *Freight rides the air-lanes*

HIGH above quilt-like farms and the granite canyons of cities, a giant cargo-carrier skims along the skyways. It is the air freight, streaking the shortest distance between two shipping points.

Less than a year ago, this aerial freighter, and many a sister ship, stood idle in their hangars. They were not freighters then; they were former passenger planes, still in tip-top shape, but retired to make way for speedier craft.

The transformation of these retired planes from outmoded passenger ships into flying boxcars, from expensive idleness into profitable activity, was started by an editorial in the Chicago

Tribune which suggested that the unused planes be redesigned for freight service.

This improvement in transportation service demonstrates the vital force of the Chicago Tribune. As Chicago's oldest and foremost newspaper, the Tribune is published by and for Chicagoans, but its influence is national in scope. While thinking in terms of its own community's welfare, it also thinks constructively of America as a whole.

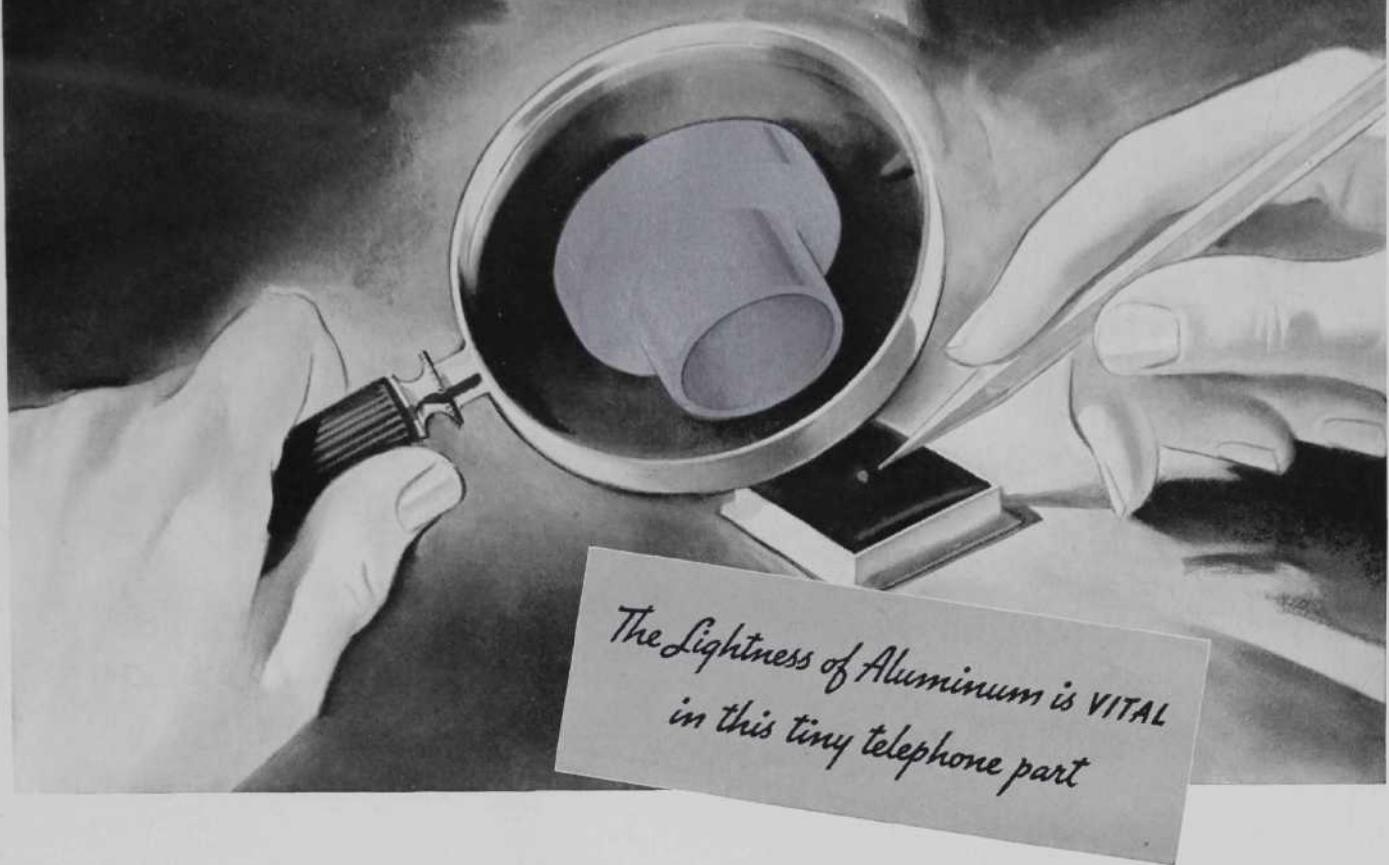
This same force can be used to increase your sales in the Chicago market. Your advertising counsel—or a Tribune representative—will be glad to show you how.

# Chicago Tribune

WORLD'S GREATEST NEWSPAPER

# WHEN YOU SAY AH!

## THE SOUND LOOKS LIKE THIS:



So tiny you need a glass to see the details of its shape . . .

So small, its weight, in any material, would seem insignificant . . .

It is made of Alcoa Aluminum Alloy, and is a part of the delicate diaphragm system of a telephone transmitter. All the other metal parts of the diaphragm system are also made of Alcoa Aluminum Alloy, because lightness is vital to perfect transmission of sound waves.

Every gossamer-weight saved in the diaphragm permits it to reproduce the almost infinitesimal gradations of the human voice more accurately.

When you say *a* as in *căt*, the listener hears exactly that, and not *a* as in *căr*. The difference

is important. Making this rivet, and the other diaphragm parts, of light Alcoa Aluminum helps the listener hear what you say, as you said it!

It takes 1180 of these rivets to make one ounce. The same number, if made of other common metals, would weigh three ounces. Making them light gets better results from voice-power.

If a moving part of a machine weighs one pound, or ten or a hundred, reducing its weight with Alcoa Aluminum will get better results from horsepower.

Nature made Aluminum light. Research has made it strong. Our experience is at your service. Aluminum Company of America, 2125 Gulf Building, Pittsburgh, Pennsylvania.



# ALCOA · ALUMINUM

## PRIZE-WINNER

Girl . . . Dog . . . Cigarette—Lucky Strike, of course. For "It's Toasted," a process which is private and exclusive with Lucky Strike Cigarettes, allows delicate throats the full, abiding enjoyment of rich, ripe-bodied tobacco. "Toasting" removes certain harsh irritants present in even the finest tobaccos in their natural state. "Toasting" is *your* throat protection against irritation—against cough. So, for your throat's sake, smoke Luckies.



Copyright, 1956, The American Tobacco Company

*Luckies-a light smoke*  
OF RICH, RIPE-BODIED TOBACCO — "IT'S TOASTED"